

Document of
The World Bank

Report No: ICR00004163

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-H3940; IDA-H6210; IDA-H9730)

ON A

GRANT

IN THE AMOUNT OF XDR 34.4 MILLION
(US\$53.2¹ MILLION EQUIVALENT)

TO THE

REPUBLIC OF HAITI

FOR A

URBAN COMMUNITY-DRIVEN DEVELOPMENT PROJECT
PRODEPUR

October 31, 2017

Social, Urban, Rural and Resilience Global Practice
Latin America and Caribbean Region

¹ US\$47.7 million at June 29, 2017 exchange rate

CURRENCY EQUIVALENTS

Exchange Rate Effective June 30, 2017

Currency Unit = Haitian Gourdes (HTG)

HTG1.00 = US\$0.016

US\$1.00 = HTG62.8

FISCAL YEAR

October 1 – September 30

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASEC	<i>Assemblée Section Communale</i> (Communal Section Assembly)
BCOIZP	<i>Bureau de Coordination Opérationnelle des Interventions dans les Zones Prioritaire</i> (Office for the Operational Coordination of Interventions in Priority Zones)
BMPAD	<i>Bureau de Monétisation des Programmes d'Aide au Développement</i> (Office of Monetization of Development Aid Programs ; formerly the PL-480 Management Office)
BTC	<i>Bureau Technique de Coordination</i> (Technical Coordination Bureau)
CADEC	<i>Conseil d'Appui au Développement Communautaire</i> (Council for Community Development Support)
CAS	Country Assistance Strategy
CASEC	<i>Conseil d'Administration de la Section Communale</i> (Administrative Council of the Communal Section)
CBO	Community Based Organization
CBD	Caribbean Development Bank
CDD	Community Driven Development
CECI	<i>Centre d'Etudes et de Coopération Internationale</i> (Center for Studies and International Cooperation)
CIAT	<i>Comité Interministériel d'Aménagement du Territoire</i> (Interministerial Committee for Territorial Planning)
COPRODEP	Community-Driven Project Development Councils
CPF	Country Partnership Framework
CRC	Community Reconstruction Centers
DINEPA	<i>Direction Nationale de l'Eau Potable et de l'Assainissement</i> (National Directorate of Potable Water and Sanitation)
EPPLS	<i>Entreprise Publique Pour les Logements Sociaux</i> (Social Housing Public Enterprise)
EMF	Environmental Management Framework
ESMF	Environmental and Social Management Framework
GoH	Government of Haiti
GDP	Gross Domestic Product
GFDRR	Global Facility for Disaster Reduction and Recovery
HSI	Haiti Stabilization Initiative
HTG	Haitian Gourde
IDA	International Development Association
IDP	Internally Displaced People

IFC	International Finance Corporation
IHRC	Interim Haiti Recovery Commission
IRR	Internal Rates of Return
ISN	Interim Strategy Note
J/P HRO	Jenkins/Penn Haitian Relief Organization
M&E	Monitoring & Evaluation
MDOD	<i>Maître d'Ouvrage Délégué</i> (Service Providers)
MEF	Ministry of Economy and Finance
MICT	<i>Ministère de l'Intérieur et des Collectivités Territoriales</i> (Ministry of Interior and Local Authorities)
MINUSTAH	<i>Mission des Nations Unies pour la Stabilisation en Haïti</i> (United Nations Stabilization Mission in Haiti)
NGO	Non-Governmental Organization
NPV	Net Present Values
OM	Operations Manual
O&M	Operation and Maintenance
PADF	Pan-American Development Foundation
PAPs	Project Affected People
PDNA	Post-Disaster Needs Assessment
PDO	Project Development Objective
PREKAD	<i>Projet de Reconstruction des Quartiers Défavorisés de Port-au-Prince</i> (Port-au-Prince Neighborhood Housing Reconstruction Project)
PRODEP	<i>Projet de Développement Communautaire Participatif</i> (Community-Driven Development Project)
PRODEPAP	<i>Projet Pilote de Développement Communautaire Participatif dans l'aire Métropolitaine de Port-au-Prince</i> (Pilot Community-Driven Development Project in the Port-au-Prince Area)
PRODEPUR	<i>Projet de Développement Communautaire Participatif en Milieu Urbain</i> (Urban Community-Driven Development Project)
PUGRD	<i>Projet d'Urgence de Gestion des Risques et des Désastres</i> (Emergency Recovery and Disaster Management Project)
RAP	Resettlement Action Plan
RF	Results Framework
RPF	Resettlement Policy Framework
SDR	Special Drawing Right
UCLBP	<i>Unité de Construction de Logements et de Bâtiments Publics</i> (Unit for Construction of Housing and Public Buildings)
US\$	United States Dollar

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HAITI
Urban Community-Driven Development Project *PRODEPUR*

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HAITI
Urban Community-Driven Development Project: *PRODEPUR*

DATASHEET

A. Basic Information			
Country:	Haiti	Project Name:	Haiti - Urban Community-Driven Development Project: <i>PRODEPUR</i>
Project ID:	P106699	L/C/TF Number(s):	IDA-H3940 IDA-H6210 IDA-H9730
ICR Date:	03/21/2017	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	Republic of Haiti
Original Commitment:	Total XDR 9.60M	Disbursed Amount:	XDR 34.23M
Revised Amount:	XDR 34.40M		
Environmental Category: B			
Implementing Agencies: Office of Monetization of Development Aid Programs - <i>Bureau de Monétisation des Programmes d'Aide au Développement</i> (BMPAD)			
Cofinanciers and Other External Partners: N/A			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	10/29/2007	Effectiveness:	10/27/2008	10/27/2008
Appraisal:	03/11/2008	Additional Financing (AF) or Restructurings (R):		10/06/2010 (AF) 10/21/2011 (R) 03/24/2014 (R) 06/20/2014 (AF) 05/20/2016 (R)
Approval:	06/03/2008	Mid-term Review:	09/10/2012	09/24/2012
		Closing:	03/31/2014	12/31/2016

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Substantial
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately 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):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Other Public Administration	15	15
Other Education	10	10
Social Protection	25	25
Urban Transport	10	10
Other Water Supply, Sanitation and Waste Management	40	40

Theme Code (as % of total Bank financing)		
Social Inclusion	40	40
Participation and Civic Engagement	40	40
Urban Development	40	40
Urban Infrastructure and Service Delivery	20	20
Services and Housing for the Poor	40	40

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Jorge Familiar	Pamela Cox
Country Director:	Anabela Abreu	Yvonne M. Tsikata
Practice Manager/Manager:	Ming Zhang	Ethel Sennhauser

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ICR Team Leader:	Roland Alexander Bradshaw	
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F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve access to and satisfaction with: (a) basic and social infrastructures and services, and (b) income-generating opportunities for residents of targeted disadvantaged urban area.

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

The revised Project Development Objective (PDO) is to improve access to and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of selected disadvantaged urban areas.

(a) PDO Indicator(s)

Note: In all cases where the original indicator (PAD) was revised either as part of Additional Financing or Restructuring, an explanation is provided in the Comments section. Text in *italics* are clarifications based on officially recorded data.

(a) PDO Indicator(s)

Indicator	Baseline Value ²	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1:	Increased access to water in disadvantaged urban areas that selected such subprojects (i.e., water kiosks, standpipes, community cisterns, rainwater capture, etc.).			
Value quantitative or Qualitative)	Original: 85.51% ³	+15%	+7.5% <i>Based on original baseline</i>	
	Revised: 74.33%		95% <i>Based on original baseline</i> 76.7% <i>Based on revised baseline</i>	84.5% <i>Based on revised baseline</i>

² Baseline and target values are based on the baseline studies conducted in 2011 and 2014 by specialized firms/consultants.

³ This baseline was officially added to the RF through the March 2014 restructuring.

Date achieved	Original: 3/24/2014 Revised: 5/20/2016	6/3/2008	3/24/2014 6/20/2014 5/20/2016	12/31/2016
Comments (incl. % achievement)	Exceeded. A baseline survey was carried out during implementation. The target value was first reduced in light of (i) the low demand for this type of subproject from community beneficiary groups (CBOs), and (ii) constraints on implementation of water subprojects due to restrictions set by the principal water provider. The target value was revised a second time as part of the second AF to reflect the addition of four new municipalities to the Project.			
Indicator 2:	Increased access to sanitation in disadvantaged urban areas that selected such subprojects (i.e., garbage collection, solid waste disposal, recycling, composting, sanitary blocks, etc.).			
Value quantitative or Qualitative)	Original: 13.47%	+20%	23.47% <i>Based on original baseline</i> 29% <i>Based on original baseline</i>	
	Revised: 27.91%		33.44% <i>Based on revised baseline</i>	33.22% based on revised baseline
Date achieved	Original: 3/24/2014 ⁴ Revised: 5/20/2016	6/3/2008	3/24/2014 6/20/2014 5/20/2016	12/31/2016
Comments (incl. % achievement)	Substantially Achieved. A baseline survey was carried out during implementation. The 2016 restructuring revised the baseline and the target to reflect the addition of four new municipalities to the Project as part of the second Additional Financing.			
Indicator 3:	Increased access to rehabilitated street and drainage infrastructure in disadvantaged urban areas that selected such subprojects (i.e., cleared and rehabilitated drainage canals, ditches, etc.)			
Value quantitative or Qualitative)	Original: 27.85% ⁵	+10%	53% <i>Based on original baseline</i>	
	Revised: 26.40%		35.40 % <i>Based on revised baseline</i>	49.45% <i>Based on revised baseline</i>
Date achieved	Original: 3/24/2014 Revised: 5/20/2016	6/3/2008	6/20/2014 5/20/2016	12/31/2016

⁴ Idem.

⁵ Idem.

Comments (incl. % achievement)	Exceeded. A baseline survey was carried out during implementation. The 2016 restructuring revised the baseline and the target to reflect the addition of four new municipalities to the Project as part of the second Additional Financing.			
Indicator 4:	Increased access to social infrastructure and services in disadvantaged urban areas that selected such subprojects (daycare centers, primary schools, secondary schools, health clinics, job training)			
Value quantitative or Qualitative)	Original : 24.51%	+10%	51% <i>Based on original baseline</i>	
	Revised: 56.53%		66.43% <i>Based on revised baseline</i>	74.99% <i>Based on revised baseline</i>
Date achieved	Original: 3/24/2014 ⁶ Revised: 5/20/2016	6/3/2008	6/20/2014 5/20/2016	12/31/2016
Comments (incl. % achievement)	Exceeded. A baseline survey was carried out during implementation. The 2016 restructuring revised the baseline and the target to reflect the addition of four new municipalities to the Project as part of the second Additional Financing.			
Indicator 5:	Percentage of productive/income generating subprojects that are self-sustaining six months after being fully operational⁷.			
Value quantitative or Qualitative)	0%	80%	N/A	12.06
Date achieved	6/20/2014	6/20/2014	N/A	12/31/2016
Comments (incl. % achievement)	Not achieved. Only 12.06% of productive/income generating subprojects are self-sustaining six months after being fully operational. This is due to the fact that many such projects did not generate enough profits and were not economically sustainable.			
Indicator 6:	Number of productive/income generating subprojects fully operational⁸.			
Value quantitative or Qualitative)	0	650	N/A	501
Date achieved	6/20/2014	6/20/2014	N/A	12/31/2016
Comments (incl. % achievement)	Not achieved. The project did not monitor this indicator correctly and only recorded “the number of CDD subprojects completed”. Even this figure is incorrect as the final number of CDD subprojects completed is 652, not 501. The total number productive subprojects completed was 131 out of 652.			
Indicator 7:	Percent of beneficiaries for whom the majority of expected subproject results, as defined by beneficiaries at the start of the project, were achieved (as per results from community evaluation forms)			
Value	0%	85%	N/A	70%

⁶ Idem.

⁷ Idem.

⁸ PDO indicators 5 and 6 were originally combined as one indicator since the beginning of the Project until 8/24/2014 (ISR number 15) “number of productive/income-generating subprojects that are self-sustaining six months after being fully operational”, with baseline value 0 and target value 25% set as part of the March 2014 restructuring. The division into two indicators was made official through the second AF in June 2014.

quantitative or Qualitative)				
Date achieved	6/20/2014	6/3/2008	N/A	12/31/2016
Comments (incl. % achievement)	Partially achieved. This indicator was met, but the RF of the last ISR and Aide-Memoire do not capture the results of the beneficiary survey. The beneficiary survey revealed that more than 90% of beneficiaries are satisfied with the results of the Projects and confirm that implementation of subprojects has brought considerable positive economic, social and cultural changes in their community.			
Indicator 8:	Residents that have returned to neighborhoods upon completion of housing reconstruction and repair works or receiving a rental grant⁹			
Value quantitative or Qualitative)	0	5,480	N/A	8,844
Date achieved	10/6/2010	6/20/2014	N/A	12/31/2016
Comments (incl. % achievement)	Exceeded. This indicator exceeded the target by 61%.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Values (from approval documents)	Target (from Formally Revised Target Values)	Actual Achieved Completion Target Years	Value at or
Indicator 1:	Volume of construction debris cleared in Project neighborhoods				
Value (quantitative or Qualitative)	13,347 ¹⁰	41,747	N/A	42,800	
Date achieved	3/24/2014	3/24/2014	N/A	12/31/2016	
Comments (incl. % achievement)	Exceeded.				
Indicator 2:	Number of corridors repaired.				
Value (quantitative or Qualitative)	31 ¹¹	108	N/A	108	
Date achieved	3/24/2014	3/24/2014	N/A	12/31/2016	
Comments (incl. % achievement)	Achieved.				

⁹ This indicator was first introduced as part of the first AF in October 2010 under the title “Displaced residents that have returned to original neighborhoods upon completion of housing repair and reconstruction works. The second AF (June 2014) formally revised this indicator to introduce the rental cash grant dimension “Residents that have returned to neighborhoods upon completion of housing reconstruction and repair works or receiving a rental grant”.

¹⁰ When this indicator was introduced as part of the March 2014 restructuring, the Project had already cleared 13,347m³ of debris

¹¹ When this indicator was introduced, the Project had already repaired 31 corridors.

achievement)				
Indicator 3:	Number of eligible CBOs joining COPRODEPs¹²			
Value (quantitative or Qualitative)	0	1,000	1,173	1,218
Date achieved	3/24/2014	3/24/2014	6/20/2014	12/31/2016
Comments (incl. % achievement)	Exceeded.			
Indicator 4:	Percent of subprojects successfully implemented, operated, and maintained (as per technical audits)			
Value (quantitative or Qualitative)	0%	95%	70%	83%
Date achieved	6/3/2008	6/3/2008	3/24/2014	12/31/2016
Comments (incl. % achievement)	Exceeded. This revised target was exceeded by 13 percent.			
Indicator 5:	Percent of municipal governments successfully proposing and implementing subprojects in coordination with CBOs			
Value (quantitative or Qualitative)	0%	65%	100%	100%
Date achieved	6/3/2008	6/3/2008	3/24/2014	12/31/2016
Comments (incl. % achievement)	Achieved. All municipalities targeted by the Project coordinated effectively with CBOs in proposing and implementing subprojects.			
Indicator 6:	Percent of subprojects completed in a timely manner			
Value (quantitative or Qualitative)	0%	85%	N/A	70.09%
Date achieved	6/3/2008	6/3/2008	N/A	12/31/2016
Comments (incl. % achievement)	Partially achieved. Delays were caused by the lack of experience and capacity of CBOs and COPRODEPs in project preparation and supervision.			
Indicator 7:	Roads rehabilitated, Non-rural (core indicator)¹³			
Value (quantitative or Qualitative)	0 km	8 km	16 km	22.28 km
Date achieved	3/24/2014	3/24/2014	6/20/2014	12/31/2016
Comments (incl. %	The revised target was exceeded by 39%.			

¹² This indicator was first introduced in the original PAD under the title “Percent of eligible CBOs joining COPRODEPs”, with a baseline of 0% and a target of 80%. The indicator title was revised as part of the March 2014 restructuring.

¹³ This indicator was formally only added to the RF through the March 2014 restructuring.

achievement)				
Indicator 8:	Number of people in urban areas provided with access to Improved Water Sources under the project¹⁴			
Value (quantitative or Qualitative)	0	50,000	63,650	61,501
Date achieved	3/24/2014	3/24/2014	6/20/2014	12/31/2016
Comments (incl. % achievement)	The revised target was almost achieved (96.7%).			
Indicator 9:	Cumulative number of housing repair and reconstruction works financed through grants and completed			
Value (quantitative or Qualitative)	0	5,000	1,204 1,384	1,906
Date achieved	10/6/2010	10/6/2010	3/24/2014 6/20/2014	12/31/2016
Comments (incl. % achievement)	The revised targets were exceeded.			
Indicator 10:	Health facilities constructed, renovated, and/or equipped (number)¹⁵			
Value (quantitative or Qualitative)	0	3	5	5
Date achieved	3/24/2014	3/24/2014	6/20/2014	12/31/2016
Comments (incl. % achievement)	Achieved.			
Indicator 11:	Percent of women holding membership in COPRODEPs executive committee			
Value (quantitative or Qualitative)	24%	30%	N/A	33.97%
Date achieved	6/20/2014	6/20/2014	N/A	12/31/2016
Comments (incl. % achievement)	Exceeded.			
Indicator 12:	Percent of prioritized projects submitted by women CBOs			
Value (quantitative or Qualitative)	13%	15%	N/A	15%
Date achieved	6/20/2014	6/20/2014	N/A	12/31/2016
Comments	Achieved.			

¹⁴ Idem

¹⁵ Idem

(incl. % achievement)				
Indicator 13:	Number of subproject proposals proposed			
Value quantitative or Qualitative)	0	1,520	DROPPED	895
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 14:	Number of subproject proposals prioritized/approved			
Value quantitative or Qualitative)	0	380	DROPPED	459
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 15:	Percentage of neighborhood area cleared from construction debris			
Value quantitative or Qualitative)	0	100	DROPPED	Not available
Date achieved	10/6/2010	6/20/2014	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E. A similar indicator was introduced (intermediate indicator 1) at the same time this indicator was dropped.			
Indicator 16:	Urban development plans completed and approved by communities			
Value quantitative or Qualitative)	0	1	DROPPED	2
Date achieved	10/6/2010	10/6/2010	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 17:	MDOD contracts signed and operating			
Value quantitative or Qualitative)	0	1	DROPPED	3
Date achieved	10/6/2010	10/6/2010	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 18:	CRCs are established, fully staffed and effectively operating			
Value quantitative or Qualitative)	0	1	DROPPED	2
Date achieved	10/6/2010	10/6/2010	3/24/2014	3/24/2014
Comments	Dropped during restructuring to streamline the M&E.			

(incl. % achievement)				
Indicator 19:	Percent of subprojects specifically targeting women, youth, and the elderly (proposed, managed by, and/or benefiting these groups)			
Value quantitative or Qualitative)	0	35	DROPPED	N/A
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 20:	Percent of women, youth, and elderly participating in CBOs and COPRODEPs (as measured by the % of CBOs participating; CBO attendance at COPRODEP Prioritization meetings)			
Value quantitative or Qualitative)	0	55	DROPPED	N/A
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 21:	Percent of member CBOs participating in COPRODEP meetings.			
Value quantitative or Qualitative)	0	90	DROPPED	90
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 22:	Timely completion of baseline survey and M&E reports			
Value quantitative or Qualitative)	0	100%	DROPPED	100%
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			
Indicator 23:	Percent of CBOs obtaining additional financing from non-project sources			
Value quantitative or Qualitative)	0	10	DROPPED	N/A
Date achieved	6/3/2008	6/3/2008	3/24/2014	3/24/2014
Comments (incl. % achievement)	Dropped during restructuring to streamline the M&E.			

G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (US\$ millions)
1	06/23/2008	Satisfactory	Satisfactory	0.00
2	11/26/2008	Satisfactory	Satisfactory	0.00
3	05/28/2009	Satisfactory	Moderately Satisfactory	0.00
4	07/29/2009	Satisfactory	Moderately Satisfactory	2.42
5	01/25/2010	Satisfactory	Moderately Satisfactory	2.92
6	01/26/2010	Satisfactory	Moderately Satisfactory	2.92
7	05/28/2010	Satisfactory	Satisfactory	2.92
8	02/21/2011	Satisfactory	Satisfactory	5.15
9	03/07/2011	Satisfactory	Satisfactory	5.15
10	12/10/2011	Satisfactory	Moderately Satisfactory	12.45
11	07/07/2012	Moderately Satisfactory	Moderately Satisfactory	15.98
12	02/07/2013	Moderately Satisfactory	Moderately Satisfactory	20.16
13	12/16/2013	Moderately Satisfactory	Moderately Unsatisfactory	30.32
14	02/16/2014	Moderately Satisfactory	Moderately Satisfactory	31.89
15	08/24/2014	Moderately Satisfactory	Moderately Satisfactory	35.86
16	03/05/2015	Moderately Satisfactory	Moderately Satisfactory	38.16
17	07/30/2015	Moderately Satisfactory	Moderately Satisfactory	40.84
18	03/23/2016	Moderately Satisfactory	Moderately Satisfactory	45.15
19	10/21/2016	Moderately Satisfactory	Moderately Satisfactory	49.08
20	05/14/2017	Moderately Satisfactory	Moderately Satisfactory	47.2

H. Restructuring (if any)

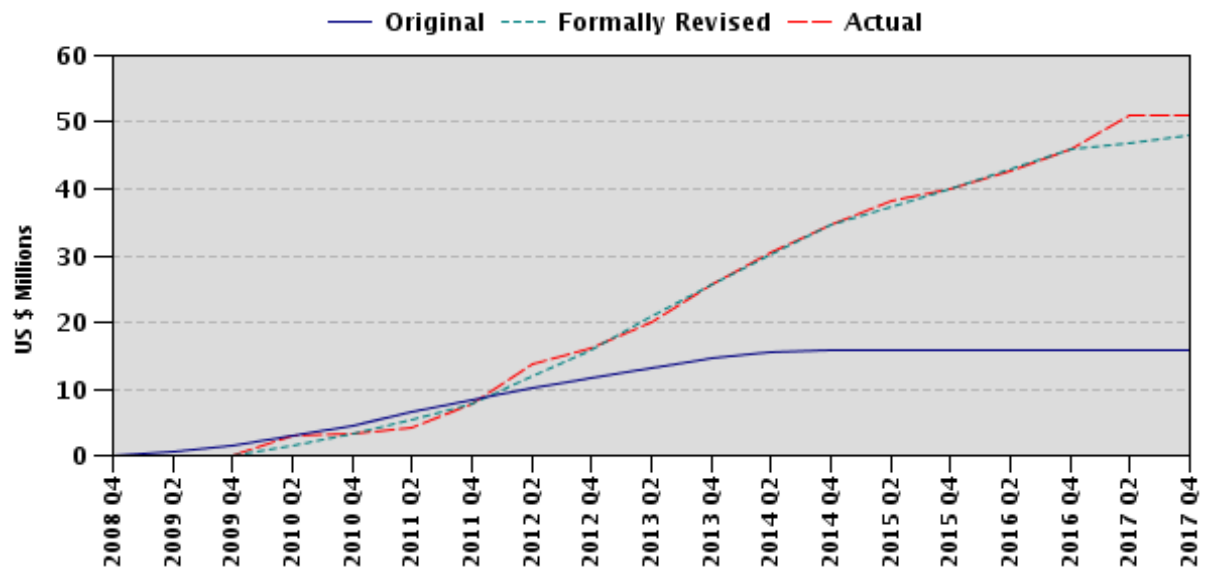
H. Restructuring (if any)					
Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US\$ millions	Reason for Restructuring & Key Changes Made
		DO	IP		
10/06/2010	Y	S	S	4.13	<i>First Additional Financing:</i> An Additional Financing Grant in the amount of SDR19.9 million (US\$30 million equivalent) was approved in the aftermath of the 2010 earthquake to finance housing repairs, reconstruction and community infrastructure improvements in two of the neighborhoods covered by the project. To incorporate these additional activities in the scope of the Project, the PDO was also revised as follows: “to improve access to, and satisfaction

H. Restructuring (if any)					
Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US\$ millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of selected disadvantaged urban areas."
10/21/2011	N	S	S	9.37 (9.04 for H3940 + 0.33 for H6210)	<i>First restructuring:</i> This Level 2 first restructuring included a rental grant and a relocation grant under the definition of Cash Grants under Component 4: Housing Repair and Reconstruction to support eligible internally-displaced households to move out of camps into a home.
03/24/2014	N	MS	MS	31.88 (14.81 for H3940 + 17.07 for H6210)	<i>Second restructuring:</i> This Level 2 second restructuring shifted resources away from private housing reconstruction to public infrastructure and public multifamily housing, under Component 4: Housing Repair and Reconstruction, to better support neighborhood upgrading and increase housing stock. The restructuring also modified key performance indicators to better capture Project results. In addition, the Grant closing date was extended by 15 months from March 31, 2014 to June 30, 2015 to allow sufficient time for implementation.
06/20/2014	Y	MS	MS	34.42 (14.81 for H3940 + 19.61 for H6210)	<i>Second Additional Financing:</i> A second Additional Financing Grant of SDR4.9 million (US\$7.50 million equivalent) was approved to finance the scaling up of urban community subprojects. As part of this AF, the PDO was revised to correct a past minor

H. Restructuring (if any)					
Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US\$ millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					discrepancy between the PAD and the legal agreement ¹⁶ . The Grant closing date was also extended by one year to June 30, 2016 to allow sufficient time for the completion of additional activities.
05/20/2016	N	MS	MS	45.92 (14.87 for H3940 + 25.89 for H6210 + 5.16 for H9730)	<i>Third restructuring:</i> The third restructuring (Level 2) aimed to modify four key performance indicators to better capture Project results based on the outcome of the baseline study. This Level 2 restructuring also extended the Grant closing date by six months to December 31, 2016 to accommodate delays caused by the political situation (related to the postponed presidential run-off of December 2015) and allow for the completion of housing repairs and community subprojects.

¹⁶ The PDO in the PAD is “to improve access to and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of **targeted** disadvantaged urban areas,” while the PDO in the legal agreement is: “to improve access to and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of **selected** disadvantaged urban areas.”

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. **At the time of appraisal in 2008, Haiti was emerging from a long period of political, economic, and social strife.** Devastated by decades of violence, political instability¹⁷, and little or negative gross domestic product (GDP) growth, Haiti was swept by a wave of riots and conflict in early 2004, after armed opposition forces removed President Aristide from power, resulting in thousands of deaths and the destruction of public and private property. In this context of fragility and economic downturn¹⁸, the country experienced high levels of crime and gang-related violence. Poverty levels were also significant, as 78 percent of the population was considered poor (living on less than US\$2 a day). However, after 2006, the country made important progress in stabilizing the security situation and the economy. Presidential, parliamentary and municipal elections were held successfully in 2006, and power was transferred smoothly from a transitional government to an elected one. The economy improved in fiscal year 2006, with a GDP growth of 2.1 percent.

2. **During the two years preceding the election of president Préval in 2006, the country experienced high levels of violence, particularly in the vulnerable urban neighborhoods of Port-au-Prince where neither the national police nor the UN Stabilization mission forces (MINUSTAH) present in Haiti since 2004 dared operate.** Politically motivated executions, vandalism, and physical and sexual assaults were prevalent. Armed gangs had created linkages and collusion with international drug smugglers¹⁹ and had expanded the territory under their control by moving to and operating in new neighborhoods. They had also acquired more sophisticated weaponry smuggled into the country and paid for by the proceeds of illegal activities. In parallel, many citizens in the middle and upper classes had constituted quasi-militia protection groups. It was estimated that in this period about 200,000 small arms were in circulation, the majority of them illegal. Crime rates remained high and kidnappings increased. It is estimated that between February 2004 and December 2005, about 8,000 people had been murdered in Port-au-Prince²⁰. Kidnapping rates grew steadily, reaching 1,900 kidnapped people between March and December 2005.

3. **At the time of appraisal in 2007, the country had made progress in stabilizing the security situation but the crime and violence situation in disadvantaged urban areas continued to be dire.** Politicized armed gangs continued to use vulnerable urban neighborhoods such as Cité-Soleil and Bel-Air in Port-au-Prince²¹ as a base to engage in kidnapping and other criminal activities across the city. As the population shifted from rural to urban areas, the robust social cohesion that characterized rural areas became less effective in mitigating social dislocation. Additionally, criminal activity was prevalent near the industrial areas of Port-au-Prince, forcing businesses to absorb high security costs and periodically shut down or move their operations²². These neighborhoods highlighted the key socio-economic challenges faced by disadvantaged urban areas: high demographic pressure from domestic migration without accompanied access to

¹⁷ Haiti has seen a succession of 13 heads of state in 20 years since the fall of the Duvalier regime in 1986.

¹⁸ The country had defaulted on much of its foreign debt and from 2003 to 2004 the economy contracted by 3.5 percent

¹⁹ The U.S. Drug Enforcement Administration estimated that about eight percent of the cocaine entering the United States in 2006 transited either Haiti or the Dominican Republic.

²⁰ Kolbe and Hutson, 2007 "Human rights abuse and other criminal violations in Port-au-Prince, Haiti: a random survey of households".

²¹ The sources of violence were highly concentrated in Port-au-Prince's major disadvantaged urban areas of Cité-Soleil, Bel-Air, La Saline, and others (although gangs operate out of these areas and across the city).

²² "Guns, Books, or Doctors? Conflict and Public Spending in Haiti" World Bank, 2016

employment, basic infrastructure and services. Most notably, these neighborhoods witnessed: (i) high unemployment, acute poverty, and malnutrition; (ii) insufficient access to safe water and sanitation, including solid waste collection; and (iii) a lack of law enforcement. Cite-Soleil, in particular, constituted a sort of lawless state within a state and by 2007 served as a critical focal point of instability, violence, and civil unrest threatening the stability of the national government.

4. **Cementing a lasting peace therefore not only implied direct efforts to strengthen law enforcement and combat crime, but also to address the socioeconomic drivers of gang membership and violence: lack of economic opportunities and access to basic services.** The reform and strengthening of the Haitian National Police was one of the government's top priorities at the time of appraisal²³. Complementing the efforts of the national government and MINUSTAH, the Haiti Stabilization Initiative (HSI), an interagency effort of the U.S. Department of Defense and the U.S. Department of State, also aimed to decrease violence and improve stability, focusing on Cite-Soleil, through community building, the provision of public infrastructure, and police support programs. At that point it had become clear to the Government that the restoration of security would require job creation and improvement of services and living conditions. These measures would help establish a positive presence of the State as a provider of public goods and promote a stronger and more durable peace.

5. **The State's capacity to apply the rule of law and deliver basic public services to the population however remained significantly weak.** The institutions responsible for establishing security and the rule of law - the police, judiciary and prisons - were weak and to some degree had become a source of insecurity themselves. Political interference and corruption had undermined previous reform efforts. Haiti's insufficient budget and unstable donor assistance flows resulted in inadequate spending on basic social services and infrastructure. In 2006, Government revenues were only 10 percent of GDP, among the lowest in the world, and spending for priority sectors (agriculture, education, health, infrastructure, and justice and security) accounted for about 4 percent of GDP²⁴. Day-to-day operation of the decentralized local administrations was severely hampered by the lack of human and financial resources. Municipal budget allocations were highly insufficient to respond to citizen's needs due to the inadequate levels of taxes collected by communes and the limited operational capacity of the decentralization fund established in 1996²⁵.

6. **Considering its limited public spending capacity for the social sector and the lack of trust of the population in government institutions, the central government decided to empower communities to enable basic service-delivery.** At appraisal, the population had experienced long-term neglect and resented the effects of the government's inability to provide basic services due to political capture and corruption. Non-state actors had filled some of the gaps in health and education, but these efforts were largely uncoordinated and unregulated. This had created a sense of disconnect and mistrust of government institutions by the vulnerable population. To respond to these challenges, the Government directly empowered communities with decision-making authority and control of financial resources for job creation initiatives and for investments in basic services. Community-Driven Development (CDD) projects and approaches would

²³ The HNP Strategic Plan was presented and approved in March 2005, Haitian National Police Reform Plan, 2006.

²⁴ Spending for priority sectors (agriculture, education, health, infrastructure, and justice and security) accounted for 4.2 percent of FY2005/06 GDP. Particularly, budget allocation for the education sector was about 2.5 percent of GDP in FY2006/07, the lowest in the LAC region (average of 5 percent of GDP). For the same year, allocations to the health sector were than 2.7 percent, below the regional average of 3.3 percent of GDP. Haiti Public Expenditure Management and Financial Accountability Review, World Bank 2008.

²⁵ The *Fonds de Gestion et de Développement des Collectivités Territoriales* (FGDCT) was created by decree for the operation and development of municipalities.

contribute to: (i) delivering basic services and responding to infrastructure needs when public provision of services was lacking; (ii) promoting social cohesion by fostering collective action, joint communal responsibility, and transparent access to information and decision-making; and (iii) serving as an entry point for the strengthening of local governments to work more closely with their constituencies.

7. **Haiti remained a fragile state, trying to emerge from a stop-and-go economic dynamic interspersed by political turmoil, social unrest, natural disasters and weather shocks.** Indeed, in 2009 Haiti was one of the most disadvantaged countries in the Western Hemisphere with: (i) a GDP per capita of US\$668; (ii) high levels of absolute poverty and extreme poverty (60 and 31 percent respectively in 2009); (iii) a low human development index of 0.4; and (iv) a high vulnerability to natural hazards, e.g., flash floods and landslides claimed more than 5,000 lives and affected more than 1.5 million people between 2004 and 2009.

8. **On January 12, 2010, Haiti was struck by a magnitude 7.3 earthquake (with the epicenter 16 kilometers away from Port-au-Prince). The disaster killed more than 220,000 people, injured 300,000 and directly affected the lives of over 2 million.** This event was recorded as the worst natural disaster in the Western Hemisphere in 50 years. In addition to the staggering loss of life, the March 2010 Post-Disaster Needs Assessment (PDNA) recorded severe damage in and around the capital Port-au-Prince where 65% of the country's GDP was estimated to be generated: over 400,000 buildings were damaged, of which 115,000 entirely destroyed and 145,000 severely damaged. The total damages and losses were estimated at US\$7.8 billion, equivalent to 120 percent of Haiti GDP in 2009. This catastrophic situation forced up to 1.5 million people to seek shelter in temporary and densely populated tent camps that increased the risk of epidemiological diseases. In October 2010, a cholera epidemic broke out in Port-au-Prince, killing at least 3,600 people and sickening over 170,000 by the end of 2010. Nineteen out of twenty Ministries had collapsed and the lives of 16,000 staff of various Ministries were lost. The situation was dire when Bank post-earthquake missions arrived in Haiti. Counterparts were quasi non-existent, and homeless people were roaming the rubble in very unsafe and unhygienic environments.

9. Faced with this situation, the Haitian Government, development partners and international NGOs struggled to devise an effective course of action and to sequence priorities to tackle massive response and reconstruction challenges. Some previous disasters were similarly large in scale, such as the Indian Ocean Tsunami, which ravaged Banda Aceh, Indonesia in particular in December 2004, which caused 227,000 deaths in 9 countries, and the large earthquake, which ravaged the region of Kashmir in Pakistan and northern India in 2005, which caused 87,000 deaths and massive destruction in the mountain city of Muzaffarabad Pakistan. However, reconstruction solutions used in these cases were of limited application. The greenfield solutions proposed in Aceh where the land had been wiped clean of structures could not be applied in Haiti due to the interspersed collapsed and standing housing in dense urban areas. Similarly, the reconstruction mechanisms used in the city of Muzaffarabad Pakistan, relied on strong Government capacity, clear cadaster registries, and a financial architecture, which were not present in Haiti. Though many lessons pertaining to the link between response and reconstruction, aid architecture and coordination could be drawn from international experience, applicable models for reconstruction in Haiti's environment simply did not exist and had to be developed during the response and reconstruction effort.

10. **Rationale for Bank's engagement.** The rationale for Bank involvement was based on the following Project related aspects:

- (a) **The Urban Community-Driven Development Project (*Projet de Développement Communautaire Participatif en Milieu Urbain PRODEPUR*) built on the Bank's previous and ongoing Community-Driven Development engagement in Haiti, and on international experience.** Initially, the Project sought to build on successful Bank-funded CDD interventions in Haiti, particularly two rural CDD projects, and an Urban CDD Pilot Project²⁶. These experiences allowed to integrate into project design recommendations regarding: (i) the application of participatory mechanisms; (ii) the definition of capacity building assistance for subproject implementation; and (iii) the role of local government structures in project implementation. The Project also drew on lessons from the Bank's successive generations of Rural Poverty Reduction projects in Brazil, Honduras, and Jamaica, and on the experiences of CDD projects in post-conflict/fragile states, e.g., Afghanistan, Liberia, and the West Bank/Gaza.
- (b) The Project also complemented initiatives of other donors in support of security restoration and poverty alleviation in disadvantaged urban areas. Operations financed by the international community, including United Nations Agencies, the US government, IDB and NGOs generally focused on peace stabilization and the rapid provision of physical infrastructure. The value added of the Bank-financed project consisted in: (i) placing great emphasis on the capacity building of communities and municipal governments to complement the provision of physical infrastructure; and (ii) contributing to donor coordination both at the central government level (via the *Bureau de Coordination Opérationnelle des Interventions dans les Zones Prioritaires* [BCOIZP]), and at the municipal level via the participation of municipal government representatives in the Project Development Councils *COPRODEPs*, the structures created by the project to identify and develop community and municipal subprojects.
- (c) **The World Bank Group's post-earthquake response was comprehensive. In total US\$479 million were mobilized by the World Bank Group to support response and reconstruction from existing and new sources of funding during FY10. In the short term, the Bank placed the entire Haiti portfolio under the emergency procedures of BP/OP 8.00 to provide maximum flexibility to respond to the urgent, medium, and long-term needs resulting from the disaster.** While many development partners focused on securing temporary and transitional shelters and providing essential relief services (e.g., water, food, medicine), the Bank's comparative advantage laid in supporting the reconstruction with a long-term view to "build back better", integrating risk data and diagnostics, capacity building for safer construction, as well as a pragmatic approach to repairing and reconstructing neighborhoods, including public spaces and permanent housing.
- (d) With Funds from IDA and from various Trust Funds, working through Haitian institutions and in collaboration with partners and NGOs, the Bank financed the Structural Assessment of 400,000 buildings, developed detailed and state of the art multi-hazard mapping of the city of Port-au-

²⁶ These include: (i) the Rural CDD Pilot Project, implemented in 2004 with the support of a US\$1 million Post-Conflict Fund (PCF) grant; (ii) the Labor-Intensive and Basic Infrastructure Rehabilitation Pilot Project, financed by a US\$1 million Low-income Country Under Stress (LICUS) grant in 2005; (iii) the US\$61 million International Development Association (IDA)-funded Rural CDD Project (PRODEP), under implementation at the time of appraisal; and (iv) an Urban CDD Pilot Project (PRODEPAP), financed by a US\$1.25 million PCF grant, also under implementation in two disadvantaged urban areas of Port-au-Prince (Cité-Soleil and Bel-Air).

Prince, carried out a full LiDAR assessment of the affected area, supported the Government in developing building codes for schools and health centers and a building guide for private housing construction, trained a core group of 80 engineers at the Ministry of Public Works who in turn trained masons, building professionals and community workers in earthquake resilient retrofitting and construction, and supported community-based neighborhood reconstruction for US\$95 million to benefit over 200,000 people in neighborhoods most affected by the earthquake.

- (e) **The Bank's urban reconstruction stance was anchored in the urban-focused IDA Urban Community Driven Development Project (PRODEPUR), which was under implementation and invested in community level infrastructure.** After the earthquake, PRODEPUR received an immediate US\$30 million Additional Financing (AF), known as PRODEPUR Habitat. PRODEPUR Habitat aimed to finance housing repair and to reconstruct and improve community infrastructure in areas affected by the disaster. A number of initiatives to help the reconstruction drive were supported in parallel: (i) a Japan Social Development Fund financed cash-for-work under PRODEPUR; (ii) GFDRR funded the SBA and the mapping of national and local disaster-prone areas; (iii) an Institutional Development Grant built IHRC capacity to make the NRHRF operational and to coordinate corresponding interactions with public and private stakeholders; (iv) a Spanish grant supported the IHRC in the preparation of a housing policy and housing subsidy framework; (v) IDA approved the US\$65 million Infrastructure and Institutions Emergency Recovery Project in March 2010, which would collect and treat debris and provide temporary housing to the Ministry of Finance and relaunch basic financial functions; and (vi) IFC provided support to define a housing finance framework.
- (f) **These initiatives applied lessons from successful Bank-funded post-disaster reconstruction experiences in Haiti and abroad.** The Bank was already supporting the GoH in post-disaster reconstruction efforts following the severe floods caused by Hurricane Jeanne in 2004 through the 2005 Emergency Recovery and Disaster Management Project (PUGRD) aimed at rehabilitating damaged areas, improving the country's preparedness and response, and reducing the vulnerability of communities at risk. Additionally, ample international experience with post-disaster housing reconstruction in Indonesia, Pakistan and India had demonstrated that community-driven reconstruction approach produced effective and sustainable results, as well as high beneficiary satisfaction.

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

11. **Project Development Objective (PDO):** The original PDO was "to improve access to and satisfaction with: (a) basic and social infrastructures and services, and (b) income-generating opportunities for residents of targeted disadvantaged urban areas".

12. **Key Indicators:** Progress toward achievement of the PDO was measured with the following outcome indicators:

- *Project Outcome Indicator 1:* increased access to water in disadvantaged urban areas that selected such subprojects (water kiosks, standpipes, community cisterns, rainwater capture, and so forth);
- *Project Outcome Indicator 2:* increased access to sanitation in disadvantaged urban areas that selected such subprojects (garbage collection, solid waste disposal, recycling, composting, sanitary blocks, and so forth);
- *Project Outcome Indicator 3:* increased access to rehabilitated street and drainage infrastructure in disadvantaged urban areas that selected such subprojects (clear and rehabilitated drainage canals, ditches, rehabilitated street and/or footpaths, and so forth);

- *Project Outcome Indicator 4*: increased access to social infrastructure and services in disadvantaged urban areas that selected such subprojects (daycare centers, primary and secondary schools, health clinics, job training centers, and so forth);
- *Project Outcome Indicator 5*: the number of productive/income-generating subprojects that are fully operational and self-sustaining six months after being fully operational; and
- *Project Outcome Indicator 6 (would later become 7)*: the percentage of beneficiaries for whom the majority of expected subproject results, as defined by beneficiaries at the start of the project, were achieved (as per results from community evaluation forms).

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

13. **Revised PDO and justification:** The PDO was revised twice during the life of the Project.

- The PDO was first revised as part of the first Additional Financing (AF) (October 2010), which helped finance housing repair, reconstruction and community infrastructure improvements needed as a result of the January 12, 2010 earthquake. The PDO was changed to “improve access to, and satisfaction with: (a) basic and social infrastructure and services, ***including housing repair, reconstruction and community infrastructure improvements needed as a result of the Emergency***; and (b) income-generating opportunities for residents of targeted disadvantaged urban areas”.
- The PDO was revised a second time as part of the second AF (June 2014) to correct a slight minor discrepancy between the project documents and the legal agreement (*selected* replaced *targeted*). The final PDO is to “improve access to, and satisfaction with: (a) basic and social infrastructure and services, ***including housing repair, reconstruction and community infrastructure improvements needed as a result of the Emergency***; and (b) income-generating opportunities for residents of ***selected*** disadvantaged urban areas”.

14. **Revisions to Key Indicators:** As a result of the first AF and to reflect the nature of the new activities linked to the post-earthquake reconstruction efforts, the following PDO indicator was added to the project results framework:

- *Project Outcome Indicator 8*: Residents that have returned to neighborhoods upon completion of housing reconstruction and repair works or receiving a rental grant.

As part of the second AF in June 2014, project outcome indicator 5 was revised and a new outcome indicator 6 was added:

- *Original Project Outcome Indicator 5*: the number of productive/income-generating subprojects that are fully operational and self-sustaining six months after being fully operational;
- *Revised Outcome Indicator 5*: Percentage of productive/income generating subprojects that are self-sustaining six months after being fully operational
- *New Project Outcome Indicator 6*: the number of productive/income generating subprojects fully operational.

The Results Framework was significantly revamped as part as the second restructuring (March 2014) to streamline Monitoring and Evaluation (M&E) in accordance with the implementing unit’s capacity. Several intermediate indicators were adjusted, dropped or had their targets revised. The

third restructuring (May 2016) adjusted the targets of four PDO indicators²⁷ to reflect the addition of four new municipalities to the Project as part of the second AF.

1.4 Main Beneficiaries

15. *Direct beneficiaries:* The Project originally planned to intervene in 10 of the 17 “Priority Zones” identified by the Government of Haiti (GoH) across eight municipalities²⁸. Target beneficiaries were 85,000 individuals (approximately 17,000 households) benefiting from the implementation of small-scale basic services and income-generating CDD subprojects. Other direct beneficiaries would be (i) institutions involved in local development, including Community-Based Organizations (CBOs), and (ii) elected local governments, line ministries and their respective staff at the national and deconcentrated levels, who received training and other capacity building. The implementing agency also benefitted directly from capacity building under Component 2 of the Project. At the time of the first AF, the project had challenges in estimating the number of direct beneficiaries, but cash grants for repairs and reconstruction were expected to help making about 5,000 houses suitable for occupation, thus allowing about 25,000 to 30,000 people move back to their original dwelling areas.

16. *Indirect beneficiaries:* Initially, indirect project beneficiaries were estimated at approximately 490,000 individuals, or around 85 percent of the population in the targeted priority zone, which accounts for 27 percent of the overall urban population of the participating municipalities. The first AF estimated that debris removal and community infrastructure improvements would benefit the entire population of the *Delmas 32* neighborhood, estimated at about 76,000 people.

1.5 Original Components (as approved)

17. The project was designed with three components to support the achievement of the PDO, namely: (i) community subproject funding, management, and support; (ii) capacity-building and technical assistance; and (iii) project administration, supervision, monitoring and evaluation.

18. Component 1: Community Subproject Funding, Management, and Support (US\$13.5 million; IDA US\$12.70 million and US\$800,000 in counterpart funding from beneficiary contributions). This Component financed all costs related to the implementation of community and municipal subprojects, including:

- (a) Financing of small-scale socio-economic infrastructure and productive/income-generating subprojects (of about US\$20,000 on average per community subproject and US\$50,000 on average per municipal subproject) identified either by CBOs or jointly by CBOs and municipal governments, and later prioritized by representative Community-Driven Project Development Councils (COPRODEPs) as a function of available resources under the project; and
- (b) Contracting of service providers or *Maîtres d’Ouvrage Délégué* (MDOD) to mobilize CBOs to participate in the project, and to provide the necessary training and technical assistance to CBOs in the preparation and subsequent execution of subproject investments.

²⁷ Indicators 1-4 in the PDO indicators table, section F of the datasheet

²⁸ Bel-Air, Martissant/Grand Ravine, Carrefour-Feuille, Cité-Soleil, Delmas 32, Simon Pelé (*Metropolitan Area of Port-au-Prince*); Carrefour, 2eme Plaine, Dos Rémus (Ouest Department); Portail Guêpe/Blockhaus, Portail Montrouis/Fressinaut, Raboteau, Ka Soley, Descahos (Artibonite Department); and La Fossette/Nan Bannann/Shada, Bas-Gravine/Fort Bourgeois/Bande du Nord, Ste.-Philomene/Kiteyo/Bel-Air (Nord Department). The 10 Priority Zones to be targeted by the project were not identified at the time of appraisal and the project only still covered 10 areas but only in 5 municipalities initially envisioned: Port-au-Prince, Delmas, Cite-Soleil, St-Marc and Gonaives.

19. Component 2: Capacity-Building and Technical Assistance (US\$0.90 million). This Component financed “soft” activities related to the implementation of community subprojects, including:

- (a) Training-of-trainer activities in basic management, administration, accounting, and financial management for Project Development Councils *COPRODEPs* and municipal government officials;
- (b) Capacity building and technical assistance to strengthen governance, participatory development, supervision, and coordination capacity at the municipal-government level and to relevant ministerial staff;
- (c) Workshops with MDODs to harmonize practices to accompany CBOs and *COPRODEPs* in carrying out activities under Component 1;
- (d) Training of the Project implementing agency, Office of Monetization of Development Aid Programs (*Bureau de Monétisation des Programmes d'Aide au Développement* - BMPAD) to effectively supervise overall project implementation;
- (e) Various consultant services, including possible preparation of future operations and assessment of ways through which the Haitian Diaspora might be mobilized to finance and provide technical expertise to community subprojects; and
- (f) Policy dialogue to engage GoH and other relevant stakeholders on a medium- to long-term national strategy to facilitate the mainstreaming of the urban CDD approach and mechanisms.

20. Component 3: Project Administration, Supervision, Monitoring and Evaluation (US\$2.1 million). This component financed all costs associated with project implementation, administration, supervision, and monitoring and evaluation by BMPAD, which operates under the oversight of the Ministry of Economy and Finance²⁹.

21. **Implementation arrangements.** Implementation arrangements involved several stakeholders. The BMPAD was the executing agency, and was responsible for the Program administration and management. *For PRODEPUR Habitat's activities:* (i) the Building Unit for Public Housing and Buildings (UCLBP) under the Office of the Prime Minister (OPM), coordinated and guided reconstruction policy, and created norms and guidelines for implementing agencies; (ii) the MTPTC provided the mandate for the components, i.e., repair and reconstruction of houses and infrastructure, approved planning and town planning plans and coordinated with the BMPAD communication officer on all aspects of the Habitat communication strategy; (iii) the Port-au-Prince and Delmas Municipalities approved planning and town planning plans; (iv) the CIAT drafted terms of reference and the follow-up of studies on procedures involving urban planning and urban development issues in the Port-au-Prince urban area; and (v) the Public Enterprise for Social Housing (EPPLS) under the MAST was involved in the management of rental stock/home ownership of social housing. *For PRODEPUR CDD:* (i) CBOs were responsible for the identification, preparation, implementation, supervision, operation, and maintenance of community subprojects, with technical assistance and training from MDODs and Project Development Councils (*COPRODEPs*); (ii) MDODs mobilized CBOs to participate in the project and accompanied them in the “on-the-ground” execution of subproject activities through technical assistance and joint management of funds; and (iii) Municipal Governments, which were responsible for the identification, preparation, implementation, supervision, operation, and maintenance of municipal subprojects. Municipal Governments also ensured the link between

²⁹ BMPAD (formerly the PL-480 Management Office) was also the implementing agency for the IDA-funded Haiti Rural CDD (PRODEP) project, the PCF-funded Urban CDD Pilot Project (PRODEPPAP), and the IDA-funded Haiti Emergency Recovery and Disaster Management Project (PUGRD).

community subprojects and the overall activities of the municipality through their permanent seat in the Executive Committee of the COPRODEPs.

22. **Parallel financing from CDB for CDD activities.** A US\$9 million parallel financing from the Caribbean Development Bank (CDB) (US\$4 million at the project outset for Port-au-Prince and Cap-Haïtien, and US\$5 million in 2010 approved before the earthquake, expanding activities to St-Marc and Gonaïves) complemented PRODEPUR CDD activities, using the same implementation mechanisms, BMPAD and the same MDODs (Center for Studies and International Cooperation - CECI and Pan-American Development Foundation - PADF). A Memorandum of Understanding was signed between the World Bank and CDB for cost-sharing of BMPAD operating costs.

1.6 Revised Components

23. Two Additional Financings, approved by the Board in October 2010 (US\$30 million) and June 2014 (US\$7.5 million) totaling approximately US\$37.5 million equivalent, added financing to the original components (US\$15.7 million). The first AF also created a fourth component.

24. Component 4 (PRODEPUR Habitat): Housing Repair and Reconstruction (US\$29.1 million). This Component consisted of the following four sub-components:

(a) The *Debris Removal* sub-component aimed to finance the removal of about 60,000 m3 of debris from selected PRODEPUR project areas, through, *inter alia*, the recruitment of contractors and the implementation of cash-for-work programs;

(b) The *Cash Grants for Housing Repair and Reconstruction* Sub-Component planned to finance the provision of a total of about 5,000 cash grants to qualified beneficiaries in selected PRODEPUR project areas for owner/resident-driven (i) repair of houses assessed as structurally solid (yellow tag houses), or (ii) on-site reconstruction of houses either destroyed or damaged beyond repair (red tag houses). Cash grants for repair work were intended to amount to US\$1,350 per household and cash grants for reconstruction US\$3,500 per household. The level of cash grants for housing repair and reconstruction was initially calculated and determined by UN-Habitat based on their experience in other regions and their knowledge of costs, which was at that time endorsed by the donors and the NGO community. However, consensus on the level of subsidies to be provided was undermined by: lack of reliable data on construction materials and costs; the absence of clear guidelines from the Government; and the emergence of a disturbed market after the earthquake (many NGOs imported their own material at very different prices). The 2011 restructuring introduced a rental grant and a relocation grant to cover transportation and logistics cost under the definition of Cash Grants to allow renters to cover the cost of movement to their original or a new home.

(c) The *Community Infrastructure Repair and Improvement* sub-component, including, *inter alia*, roads, walkways, drainage ditches and channels, solid waste management, water supply systems, sanitation facilities and related equipment, as well as the creation of Community Reconstruction Centers.

(d) The *Advisory Services* sub-Component planned to finance international and local technical assistance and consulting services required for, *inter alia*: (i) the design and implementation of community-based mapping exercises of the project areas; (ii) the establishment and implementation of conflict-resolution mechanisms related to project activities; (iii) the development of neighborhood-level urban plans and risk maps; (iv) the supervision of construction activities; (v) the provision of training with respect to, *inter alia*, new building codes and techniques; (vi) the establishment and operation of community reconstruction centers (CRCs); and (vii) the provision of technical assistance for the preparation of medium and long term urban development and housing strategies and associated policy and administrative measures.

1.7 Other significant changes

25. **First Additional Financing dated October 6, 2010– *PRODEPUR Habitat*:** An Additional Financing Grant in the amount of SDR19.9 million (US\$30.0 million equivalent) was approved in the aftermath of the 2010 earthquake to finance additional project activities in response to the emergency, namely: housing repair, reconstruction and community infrastructure improvements in two of the neighborhoods already covered by the Project (*Delmas 32 and Carrefour-Feuilles*). Overall, the earthquake had destroyed an estimated 115,000 houses in and around Port-au-Prince; left some 14,500 others with severe damage and 167,000 with moderate damages; and forced some 1.3 million people to seek shelter in temporary camps. Housing was the sector most affected, with total damages estimated at US\$2.3 billion. To incorporate these additional activities in the scope of the Project, the PDO was also revised as part of this AF and a new Component was added, Component 4, which will be referred to as *PRODEPUR Habitat*.

26. **First restructuring dated October 21, 2011:** In 2011, the Project underwent a first restructuring (Level 2) aiming to include a rental grant under the definition of Cash Grants within the Project's Component 4 "Housing Repair and Reconstruction". During project implementation, it became evident that the proportion of renters among the affected population had been underestimated³⁰. These grants aimed to support eligible internally-displaced people (IDPs) with a Rental Cash Grant to cover one year's rent to move out of camps into a home. In addition, eligible households received a Relocation Grant to cover transportation and logistics costs associated with the move back to the house. These cash grants aimed to accelerate the neighborhood return and closing of temporary camps process as prioritized by the GoH. A number of humanitarian NGOs, which were providing support to camps, had left the country after their resources drained, leaving the camps without proper facilities management plans. The situation in camps was precarious and the population faced insecurity, lack of adequate sanitation and exposure to climate events. The GoH also wanted to systematically align the financial incentives applicable to all housing intervention projects in the Port-au-Prince metropolitan area based on the 16/6 pilot project³¹. By the end of 2012, the urgency of returning people from camps to neighborhoods had sharpened, considering diminishing resources, political volatility, and increasingly difficult conditions in the camps. This urgency was compounded by the impacts of Hurricane Isaac (August 25, 2012) which further deteriorated conditions for IDPs. The cash grants awarded under the project were identified through a Community Enumeration Process whose methodology was prepared by the Interministerial Committee for Territorial Planning (CIAT)³². The cash-grant activity was first piloted by *PRODEPUR Habitat* and then applied by PREKAD.

27. **Second restructuring dated March 24, 2014:** The second restructuring (Level 2) aimed to shift resources away from private housing reconstruction under Component 4 of the Project "Housing Repair and Reconstruction" to finance the construction of new multifamily housing and neighborhood infrastructure investments, with the objective to better support neighborhood upgrading and increase the housing stock. Experience had shown that public investments in

³⁰ At the time of the restructuring, results from studies and enumerations showed that, depending on neighborhood, renters represent at least 50% of the Internally Displaced Persons (IDP) who had been moved from camps to neighborhoods. By 2014, the GoH and UN Agencies had assessed revised this figure to over 90 percent.

³¹ President Martelly's transition team prepared a "Six-Sixteen" Program that would set and implement the operational principles to speed the return of displaced households in pilot areas. This Program was approved by the Interim Haiti Recovery Commission on August 16, 2011 and was awarded a US\$30 million from the Haiti Reconstruction Fund (HRF) to move people out of 6 camps into 16 neighborhoods. The program was being implemented by four UN agencies.

³² Eligible beneficiaries of the rental grant were typically former renters of apartment, bedrooms or houses in Yellow tag Houses or Red tag Houses.

neighborhoods are more effective to stimulate private reconstruction than reconstruction grants. Although the PDO remained the same, the restructuring also modified key performance indicators to increase clarity, relevance and measurability. This restructuring also extended the project closing date by 13 months from March 31, 2014 to June 30, 2015, to allow sufficient time for implementation.

28. **Second Additional Financing dated June 20 2014.** A second Additional Financing Grant in the amount of SDR4.9 million (US\$7.50 million equivalent) financed the scaling-up of activities and investments of the same nature as that of the Parent Project, namely additional urban CDD subprojects (financing from this second AF was incorporated in Components 1, 2 and 3). Considering the importance of secondary cities for poverty reduction and balanced economic development in the country, the geographic scope of additional subprojects was expanded to include four secondary cities in the North and Center Departments: Hinche, Mirebalais, Milot and Dondon³³. As part of this AF, the PDO was revised to correct a past minor discrepancy between the project's document and the legal agreement³⁴. The Project closing date was also extended by one year to June 30, 2016 to allow sufficient time for completion of additional activities. The CDD activities under Components 1 and 2 encompassing the original project and the second Additional Financing will be referred to as *PRODEPUR CDD*.

29. **Third restructuring dated May 20, 2016.** The third restructuring (Level 2) modified targets of four PDO indicators to better capture results based on a new baseline. This baseline captured data from the four new municipalities included as part of the second Additional Financing. This restructuring also extended the project closing date by six months to December 31, 2016 to accommodate delays caused by the political situation that had deteriorated after the postponed presidential run-off of December 2015. This extension was intended to allow for the completion of housing repairs and community subprojects.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

30. **Soundness of background analysis.** The Project was fully consistent with the Bank Group's FY07-08 Interim Strategy Note (ISN) for Haiti (Report No. 37720-HT), which aimed to deliver hope to the population by: (i) helping the Government deliver quick wins in the provision of basic services and job creation, including targeted interventions in urban slum areas; and (ii) restoring credibility in Haitian institutions by deepening reforms that promote long-term good governance and institutional development. The Project objectives were relevant to country and sector context, and were developed based on sound technical analysis and lessons learned from successful CDD initiatives in the country, in particular the IDA-funded Community Driven Development Project in rural areas (PRODEP) and the PCF-funded Pilot Community-Driven Development Project in Port-au-Prince Area (PRODEPAP).

³³ The four newly covered secondary cities incorporated by the second AF were: Hinche and Mirebalais in the Center Department; and Dondon and Milot in the North Department.

³⁴ The PDO in the PAD is "to improve access to and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of **targeted** disadvantaged urban areas," while the PDO in the legal agreement is: "to improve access to and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of **selected** disadvantaged urban areas."

31. The Project integrated five key lessons: (i) the need for an indicative positive list to guide communities in identifying priorities; (ii) introducing a flexible and participatory demarcation method to define intervention areas in disadvantaged urban settings, where official demarcations barely exist; (iii) the use of jointly managed bank accounts between service providers (MDODs) and Community-Based Organizations (CBOs) to mitigate financial mismanagement and/or capture; (iv) enhanced participation of local government representatives for better sustainability; and (v) the need for technical and quality improvements through the application of standardized designs (including engineering aspects, technical, financial, and economic feasibility, Operations and Maintenance, simple environmental guidelines, and cost parameters), and semiannual technical audits, as well as capacity building of communities, local governments, line ministries, MDODs and the implementing agency, BMPAD.

32. **Assessment of project design.** The PDO and the project components were suitably developed to meet the needs and constraints of the country. Community subprojects would be limited in scope (micro grant), with simple and conventional design, and without major complex civil works. To fill capacity gaps, MDODs would be responsible for the implementation of basic social infrastructure and productive subprojects under Component 1. The design aimed to strengthen the capacity building aspect of the Project, particularly with regards to local governance, subproject design and implementation, and violence prevention. The estimates of investment costs, physical contingencies, and prices of inputs and outputs were based on data from the PRODEPAP and were considered to be reliable.

33. The first AF design was appropriately ambitious in terms of housing reconstruction and repair based on what was known at the time. However, housing reconstruction and repair was scaled down during the first and second restructurings. This change reflected a key shift in the Bank's, the Government's and the International Community's understanding of the issues and priorities on the ground, and the flexibility and adaptability of the team in obtaining results in an environment of evolving priorities and analysis. Key changes were (i) a sharper focus on and greater urgency of moving displaced persons out of camps into safer neighborhoods starting in mid-2012; and (ii) the realization that a key assumption of the original AF design – namely that displaced persons mostly owned property in neighborhoods to which they wished to return – was incorrect. Indeed, it had become clear by 2012 that 80 percent of people who had lived in collapsed neighborhoods were renters meaning that reconstruction and rehabilitation support (a form of support that would go to the owners of the properties they rented) would not necessarily benefit them. Polling also demonstrated that their attachment to the neighborhoods where they lived at the time of the Earthquake was limited, and that their willingness/desire to move elsewhere if given the opportunity was much greater than expected. Also, experience had shown that private investment in reconstruction could be incentivized and leveraged very effectively by investing in public neighborhood infrastructure first and that the existing rental market could generate economic activity existed in pockets of the city that had not been destroyed. In response to this learning and to the objective accelerating return out of camps, the restructurings scaled down housing reconstruction activities and reoriented resources towards enhancing community infrastructure.

34. **Adequacy of government commitment.** The Project was closely aligned with the three pillars of the 2007 national Poverty Reduction Strategy Paper (PRSP)³⁵: (i) drivers of growth; (ii)

³⁵ The PRSP was adopted in November 2007, which consisted of three pillars: (a) drivers of growth (agriculture and rural development, tourism, infrastructure); (b) human development (education and training, health, water and sanitation, the

human development; and (iii) democratic governance. Project design benefited from a clear Government targeting strategy and dedicated institutional coordination resources to help prioritize key areas of intervention. The Government's analysis identified 17 Priority Zones³⁶ that showed high levels of (i) poverty, (ii) population density, and (iii) current and past levels of violence. Activities in these Priority Zones were coordinated by a special entity in the Office of the Prime Minister. At the local level, the two COPRODEPs (which included local government and CBO representatives) in Bel-Air and Cite-Soleil were actively engaged in the preparation of the Project. After the earthquake, the GOH's commitment was clearly re-emphasized with the creation of the OPM/UCLBP in November 2011, which showed strong leadership and became the driver of the reconstruction process.

35. Project design also benefited from the expertise of a well-established project preparation counterpart. At the time of appraisal, the BMPAD had gained experience in the management of Bank-financed projects, and its procurement, disbursement, and financial management capacities were considered satisfactory.

36. **Assessment of risks.** The overall risk at the time of appraisal was correctly assessed as Substantial. Three 'High' risks were identified: (i) elite/gang/local government capture of Project Development Councils; (ii) difficulties in finding contractors/ consultants to work in volatile areas, which may lead to higher costs and delays, and (iii) delays in project preparation/implementation due to deteriorating security situation/political instability.

37. Three other risks were identified as 'Substantial': (i) inadequacy of the CDD model in urban areas due to weaknesses in social capital/community organizations; (ii) overall weakness of project planning and management capacities of implementing agencies; and (iii) politicization of project councils.

38. Risks were correctly identified and assessed. Appropriate mitigation measures were identified and triggered as necessary to ensure that the PDO was successfully achieved. However, the M&E framework captured only the effects of income-generating subprojects and did not sufficiently and effectively capture the much larger project achievements on increased access to income generating activities (in the form of jobs created, for instance).

2.2 Implementation

Factors that challenged project implementation:

39. **The 2010 earthquake led to a readjustment of the project scope given the scale of the reconstruction needs.**

40. PRODEPUR's immediate response. In the aftermath of the earthquake, PRODEPUR allowed the GoH to provide immediate response in terms of debris removal (primarily through cash-for-work subprojects)³⁷ and reconstruction of urban infrastructure and housing in areas where

handicapped, children in poverty, youth, HIV/AIDS, gender equality); and (c) democratic governance (justice, security, modernization of the state, territorial management, macroeconomic framework).

³⁶ Overall, it is the Government of Haiti's strategy to focus many of its interventions and those of donors on what it has defined as "Priority Zones."

³⁷ 43 cash-for-work sub-projects were launched for a total of about US\$850,000. These sub-projects which focused on the removal of debris from public spaces and access roads, as well as cleaning of local drainage ditches, provided temporary jobs to over 5,000 people in the neighborhoods of Cité Soleil, Martissant, Belair, and Delmas 32.

the Project was already intervening. In line with the strong mobilization of COPRODEPs already active under the *PRODEPUR CDD*, the project proved to be an invaluable asset allowing the Government to play an active role in the coordination of the reconstruction process.

41. First Additional Financing (*PRODEPUR Habitat*) and adjustment of scope. *PRODEPUR Habitat* primarily financed urban upgrading/post-disaster reconstruction subprojects. The nature of the activities financed by *PRODEPUR Habitat* was significantly different from the original *PRODEPUR CDD*. The selection of subprojects was not based on consultation with CBOs but rather in response to the emergency needs due to the level of destruction in the immediate aftermath of the earthquake. However, the reconstruction activities still integrated CDD approaches in the implementation/supervision of subprojects. In line with the community engagement facilitated by the existing COPRODEPs in the area that were created under the original *PRODEPUR CDD*, Community Reconstruction Centers (CRCs) were established in each of the project neighborhoods to help with awareness building, community participation and capacity building. They were also key training centers for the roll-out of the GoH new Construction Guidelines for Building Back Better.

42. Effects on implementation. The earthquake generally caused the diversion of Government attention and resources towards emergency activities. BMPAD's human resources became increasingly overstretched during that period. The additional work generated by *PRODEPUR Habitat* preparation, combined with an extremely weak GoH institutional capacity due to the disappearance of civil servants, and the lack of GoH direction on housing, initially impeded the implementation of the CDD activities. In addition, BMPAD was also responsible for the preparation of the Bank-supported Port-au-Prince Neighborhood Housing Reconstruction Project (PREKAD) and the second Additional Financing to the PRODEP.

43. **Other natural disasters.** The Project was also affected by other disaster events, causing delays or adjustments in project implementation. Four hurricanes and tropical storms (Gustav/Fay/Hanna/Ike) devastated the country in 2008 right at the beginning of implementation. The passage of Tropical Storm Isaac on August 25, 2012 caused the destruction of approximately 12,000 tents in camps across Port-au-Prince and earthquake affected areas, causing a spike in cholera incidence rates, which pushed for the rapid implementation of the rental cash grant activities under Component 4. Hurricane Matthew in October 2016 further affected implementation.

44. **Fragile political environment, and crime and violence.** Project implementation suffered from continuous political instability from project effectiveness to closure, which was characterized by frequent changes in government and delays in the electoral calendar. During moments of political change, implementation slowed down due to delays in the preparation of bid documents, the signing of contracts and withdrawal requests, and execution of subprojects. Subproject implementation by MDODs and contractors was also negatively affected by continued conflicts between rival gangs in the Project neighborhoods.

45. **The 2010 earthquake exacerbated public sector institutional weaknesses and the unplanned urban expansion and capacity challenges.** At the national level, the housing sector in Haiti in general, but particularly in Port-au-Prince, was weak long before the earthquake. As discussed previously, the involvement of municipalities in disadvantaged urban areas was particularly uneven even before the earthquake. Capacity constraints within BMPAD, other government agencies and local governments made technical design, supervision and implementation of physical works difficult. Thus, the Project relied heavily on three international MDODs to carry out all community subprojects and reconstruction activities under both

PRODEPUR CDD and *PRODEPUR Habitat*³⁸. Changing factors on the ground that underpinned the first two restructurings, notably the urgency brought by deteriorating conditions and the unsustainability of camps and a better understanding of the composition of the displaced and their status as renters and homeowners also affected project implementation.

Factors that enabled project implementation:

46. **Simple, tested, and replicable project design based on successful previous CDD experiences in Haiti.** The project design replicated a well-functioning CDD methodology in Haiti and included lessons learned from previous experiences. Important project design aspects that contributed to a successful implementation and the achievement of the PDO included: (i) the clear and transparent definition of budget envelopes for each community subproject; (ii) the application of participatory mechanisms for subproject prioritization; (iii) the provision of close technical assistance for CBOs to accompany subproject preparation and implementation; (iv) involvement of local government representatives in project preparation and implementation jointly with CBOs; and (v) the delegation of subproject implementation to service providers, with a joint management of funds for community subprojects with beneficiary CBOs, and CBOs jointly with municipalities for municipal subprojects.

47. **Strong community engagement and participation of local governments.** All subprojects under *PRODEPUR CDD* were directly identified, prepared, implemented³⁹, supervised, operated, and maintained by CBOs and local governments (local governments participated through their formal involvement in COPRODEPs or directly as subproject initiators in conjunction with CBOs). Reconstruction activities under *PRODEPUR Habitat* also benefited from the strong community involvement developed through the original CDD activities, which allowed for a rapid mobilization of human and financial resources to address emergency needs and rapidly re-establish basic services. The creation of CRCs also helped with awareness building and community participation.

48. **Joint implementation of *PRODEPUR Habitat* and PREKAD.** PREKAD's design was closely aligned with *PRODEPUR Habitat*'s structure and both projects were effectively implemented and supervised jointly by both the government and the Bank. During the early stages of reconstruction, the GoH had designated the World Bank as the lead in coordinating housing repair and reconstruction activities. *PRODEPUR Habitat* and PREKAD provided a platform for the Government to engage in high level donor coordination and urban development strategy dialogue. Both projects were instrumental in supporting the GoH to establish new policies and methods for reconstruction, community redevelopment in informal neighborhoods and housing.

49. **MDODs' delivery capacity.** The three MDODs contracted under the project (CECI, PADF and Jenkins/Penn Haitian Relief Organization – J/P HRO) carried out their contracts in a professional and competent manner, and achieved satisfactory results. CECI and PADF were strong entities with long-standing experience in Haiti, and in subproject design and implementation.

³⁸ CECI and PADF for the entire project (CDD pre-earthquake as well as the second AF and earthquake reconstruction activities) and J/P HRO for earthquake reconstruction activities.

³⁹ including procurement and contracting of works.

Mid-Term Review

50. The Mid-term Review (MTR) of September 2012 identified certain weaknesses: (i) monitoring and evaluation, including supervision of subprojects in the field⁴⁰; (ii) technical quality of infrastructure subprojects; and (iii) financial reporting from MDODs to BMPAD. Shortly after the MTR, the Project was restructured, shifting financing under Component 4: Housing Repair and Reconstruction, away from private housing reconstruction to public infrastructure and public multifamily housing in order to better support neighborhood upgrading and to increase the housing stock.

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

51. **M&E design.** The monitoring arrangements as described in the PAD were in accordance with generally accepted practices. The project would use various monitoring and evaluation tools to assess the impact of the project on direct beneficiaries, including the establishment and operation of: (i) a Management Information System (MIS) similar to the PRODEP; (ii) a baseline survey within six months of project effectiveness; (iii) semi-annual technical audits; (iv) a mid-term review; (v) a final project evaluation; and (vi) regular monitoring and evaluation reports. BMPAD relied on MDODs for inputs to the M&E system.

52. However, the design of the Results Framework (RF) could have been more streamlined. It initially consisted of a total of 17 indicators⁴¹, and came to include up to 31 indicators (8 PDO and 23 intermediary). BMPAD could not realistically monitor these efficiently, given capacity and human resources constraints. Not all indicators were measurable and some had no baseline or target values. During the preparation of the first and second AFs, the GoH and the Bank adjusted some indicators to capture the new activities under *PRODEPUR Habitat* and the inclusion of four additional municipalities under *PRODEPUR CDD*. The 2014 restructuring significantly revised the RF to ensure that indicators were more measurable and streamlined the M&E in accordance with counterpart capacity.

53. One of the major shortcomings of the M&E design was the lack of indicators to capture achievements in: (i) the quality and sustainability of subprojects, particularly for infrastructure; (ii) capacity building of CBOs, municipalities and line ministries in subproject implementation/supervision; and (iii) institutional strengthening at the national level provided by technical assistance under Component 2. The project could have benefited from indicators to capture achievements in access to income generating opportunities, such as the number of jobs created overall during infrastructure project implementation, in addition to the income-generating activities.

54. **M&E Implementation.** The complexity of the RF, combined with the large number of project activities and the limited M&E capacity of BMPAD, made M&E a challenge throughout the Project, since two different teams were implementing the *PRODEPUR CDD* and the *PRODEPUR Habitat*. M&E implementation had a slow start and the MIS was only operational during the second half of the Project. The baseline study was only conducted in 2011, almost three years after project start. The Project also struggled to align MDODs' reporting of subproject progress and costs with the needs of the overall project M&E system. From 2012 BMPAD started submitting better quality progress reports to the Bank. BMPAD also designated two dedicated staff

⁴⁰BMPAD had conducted only 50 field visits to the original CDD subprojects during 47 months of implementation.

⁴¹ 6 PDO indicators and 11 intermediary indicators

for M&E, one each for *PRODEPUR CDD* activities and *PRODEPUR Habitat* activities. UCLBP creation during implementation also helped provide overall policy guidance, thus helping the Project's M&E.

55. BMPAD submitted biannual and annual reports to the Bank in a timely manner. These reports included progress achieved on all indicators and identified key areas for action. While BMPAD managed to successfully coordinate with MDODs and other partner institutions for data collection and consolidation, historical records from pre-earthquake times were difficult to locate at BMPAD and data had to be crosschecked with MDODs.

56. **M&E utilization.** The conclusions and the recommendations of the MTR and technical audits were integrated into project implementation and incorporated into the design of the AF and restructurings. Information on key project outputs and indicators was regularly collected and reported in ISRs. Technical audits conducted through the project to evaluate the technical quality of subprojects were generally solid and guided BMPAD into acting towards MDODs, CBOs and executing firms on the ground. Due to capacity and financial constraints at BMPAD, BMPAD had challenges in addressing all of the reports' recommendations.

2.4 Safeguard and Fiduciary Compliance

57. **Compliance with environmental safeguards is rated *Moderately Satisfactory*.** The Project was correctly categorized as Category B at appraisal, since the civil works were neither large nor complex and the environmental and social impacts were identifiable and could be readily mitigated during project implementation. Environmental safeguards triggered by the project were Environmental Assessment (OP/BP 4.01) and Physical Cultural Resources (OP/BP 4.11). An Environmental Management Framework (EMF) was developed for the project, which included simple environmental screening mechanisms for sub-projects. A designated Environmental and Social Unit was created within BMPAD for safeguards supervision. The Project provided training to BMPAD, MDODs, municipalities and CBOs in the application of safeguard requirements throughout implementation. Positive aspects of the project pertained to: (i) improved urban space, including creation of green space; (ii) improved sanitation; and (iii) contributions from the communities for the upkeep of their neighborhoods. However, examples of unsafe working conditions were also observed, including open access to work sites and inadequate use of personal protective equipment. Additionally, disposal of worksite waste and fill material was not well monitored, and the project used non-native plant species in landscaping.

58. **Compliance with social safeguards is rated *Moderately Satisfactory*.** PRODEPUR Habitat funded neighborhood reconstruction activities (which led to some impacts that triggered OP 4.12). As a result of neighborhood rehabilitation works, a number of project affected people (PAPs) were relocated (a vast majority of them were relocated temporarily) until their houses and neighborhoods were revamped. Under the first AF the Project updated its EMF into an Environmental and Social Management Framework (ESMF), and developed, consulted, and disclosed a Resettlement Policy Framework (RPF). PAPs received compensation according to OP 4.12, which covered loss of assets, moving expenses, and economic losses. As indicated above, the Bank team provided safeguards capacity building or implementation support to qualified personnel at BMPAD.

59. A resettlement audit that analyzed 26 Resettlement Action Plans (RAPs) at the end of the project confirmed that all PAPs were compensated before the start of works (which is in line with the OP 4.12). The audit highlighted that the application and documentation of certain elements of the policy varied across the three MDODs; not all MDODs took into account the vulnerability of

affected households in a systematic manner. The audit also highlighted that compensation for moving expenses might not have always reflected the size of the household, consequently putting larger households at a relative disadvantage.

60. OP4.12 only applies to displacement/resettlement that is the direct result of a Bank-funded project. As such it does not apply to this disaster induced movement of IDPs as the rental subsidy is not a compensation mechanism. Therefore, these camp dwellers are not counted under the PAP, as defined by OP 4.12.

61. **Financial Management is rated *Moderately Unsatisfactory*.** This rating reflects long delays throughout the life of the project between the provision of advances and the full accounting of spending both by MDODs and by BMPAD. Although all funds were accounted for satisfactorily, these delays prevented accurate readings of project status during implementation. Financial management shortcomings existed during project implementation. The main FM issues encountered during project implementation were: (i) long delays in submitting IFRs and audit reports to the Bank, because the MDODs' reporting deadline to BMPAD was the same as BMPAD's reporting deadline to the Bank⁴²; (ii) long delays MDODs submitting disbursement reports; (iii) long delays in submitting withdrawal applications for documentation of advances made to the designated accounts; and (iv) poor cash flow management during project closing. To proactively manage these challenges, the Bank provided hands on support during project implementation to ensure that by April 30, 2017 all suppliers were paid for goods/works/services and all advances to the designated accounts were fully documented by mid-May 2017.

62. **Procurement is rated *Moderately Satisfactory*.** Throughout project implementation, procurement management remained weak due to: (i) high staff turn-over and lack of staff with proper skills; (ii) long delays in procurement of works, goods and services; and (iii) contract management characterized by multiple contract amendments and cost overruns. During implementation, the Bank guided BMPAD to proactively manage these procurement challenges with appropriate solutions and good practice.

2.5 Post-completion Operation/Next Phase

63. **Operations and maintenance.** The Operation and Maintenance (O&M) of infrastructure and social investments (road rehabilitation, social housing, electricity, clinics, schools, water supply, etc.) made by *PRODEPUR CDD* and *PRODEPUR Habitat* is now the responsibility of local or central authorities. While each infrastructure subproject contains an O&M plan, the capacity of municipalities remains uneven and uncertain due to unreliable municipal budgets and lack of planning capacities within municipalities. Once the subproject is formally handed over to the relevant authority (municipality or line ministries, including the National Directorate of Potable Water and Sanitation (DINEPA), the Tax Administration Authority (DGI), the Ministry of Public Works, Transport (MTPTC), the National Electricity Company (EDH), or the Housing Public Enterprise (EPPLS), no monitoring and follow-up is performed by BMPAD to ensure that funds are appropriately dedicated to subproject sustainability, as it is not legally mandated to do so.

64. The operation of productive subprojects remains with the CBOs or individual CBO members. In the case of the few successful productive sub-projects, BMPAD and MDODs had paid attention to subproject feasibility, business management training and CBO support. However, most

⁴² BMPAD had to wait for the MDODs' reports in order to prepare and submit its own report to the Bank, thus creating delays.

of productive subprojects (such as community water points) have failed or are dormant as their sustainability was jeopardized by: (i) inappropriate techniques and technologies; (ii) lack of funding for operation and maintenance; and (iii) the limited business management skills of CBOs.

65. **Next phase / follow-on Operation.** A new IDA-financed Municipal Development and Urban Resilience Project (P155201) was approved by the Board on June 20, 2017. Its design integrates lessons learned from PRODEPUR, in particular the participation of communities, and the ability of municipalities to absorb and implement successful sub-projects. A Local Development Project is currently under preparation by the GoH. These two interventions will: (i) continue to improve service delivery in urban and rural areas; (ii) strengthen local governments' capacity in urban planning, revenue collection and project implementation; and (iii) mainstream participatory approaches to strengthen social accountability, transparency, and governance.

3. Assessment of Outcomes

Rating: Substantial

3.1 Relevance of Objectives, Design and Implementation

66. **Relevance of objectives is rated High.** The PDO continues to be in line with the higher-order objectives of the Bank Group's 2016-2019 Haiti Country Partnership Framework (CPF), particularly with objectives 1, 9 and 11, which relate to: (i) enhancing income opportunities; (ii) improving capacity for sustainable basic service delivery; and (iii) disaster prevention and strengthening climate resilience, which includes proper land use and urban planning. A 2016 Bank study indicates that an increase in welfare expenditures in Haiti would be associated with lower risks of conflict⁴³, which confirms the relevance of the Government's approach at the time of appraisal and today.

67. Strengthening basic service delivery at the community and local levels was highly relevant to the country's development goals at the time of preparation and continues to be an area of priority today. The Government's national development strategy, the Strategic Development Plan of Haiti (*Plan Stratégique de Développement d'Haïti* – PSDH, 2012), points to the importance of: (i) rapidly responding to basic social needs, including housing; (ii) improving governance, particularly at the decentralized level; and (iii) increasing civil society's involvement in the development process.

68. **Relevance of the design and implementation is rated Substantial.** The Project had clearly defined components that were designed to support the achievement of the PDO. Components 1 and 4 directly financed basic infrastructure subprojects, including post-2010 earthquake reconstruction activities and supported achievement of the two elements of the expanded PDO. Components 1 and 4 increased access to income-generating activities, through the jobs created as part of the execution of infrastructure subprojects and the implementation of productive subprojects. Component 2 provided the relevant technical assistance necessary for the successful implementation of subprojects under Components 1 and 4, while Component 3 contributed to helping the project achieve its PDO through effective implementation. As discussed in Section 2.3, there were weaknesses in the Results Framework.

⁴³ Idem

3.2 Achievement of Project Development Objectives

Efficacy Rating: *Substantial*

69. The final PDO, which underwent a major adjustment to include post-earthquake reconstruction activities as part of the first AF was defined as follows: “improve access to, and satisfaction with: (a) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvements needed as a result of the Emergency; and (b) income-generating opportunities for residents of selected disadvantaged urban areas”. Considering that the final PDO is merely an elaboration of the original PDO to take account of the new activities added during the first AF, the achievement of the PDO is being evaluated only with respect to the final PDO and a split evaluation has not been carried out.

70. Achievement of Part 1 of the PDO - to improve access to and satisfaction with basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency – is rated Substantial.

71. **Part 1 of the PDO is effectively divided into two elements, the first achieved under the *PRODEPUR CDD* and the second under the *PRODEPUR Habitat*.** The *PRODEPUR CDD* improved access to basic and social infrastructure of poor urban communities in 10 municipalities of the country⁴⁴ by financing a total of 521 subprojects, including: (i) 359 basic services infrastructure subprojects (rehabilitation/construction of roads and corridors; rehabilitation/construction of water and sanitation systems – including cleaning of ravines; rehabilitation of public squares; and establishment of electrification infrastructure); and (ii) 247 social subprojects (construction/rehabilitation of schools, cultural/recreation centers, training/vocational centers, libraries, cybercafés, health centers, social centers). The Project reports that the CDD subprojects have contributed to improving the living conditions of one million people living in poor urban areas (calculated as the total population of the targeted municipalities). The table below summarizes the outputs achieved per PDO elements. As shown in Section F of the Data Sheet, the corresponding indicator targets were exceeded or achieved, with few exceptions. Per the beneficiary survey, 80% of beneficiaries were satisfied with the efficacy of CDD subprojects.

⁴⁴ Port-au-Prince, Delmas, Cité Soleil, Saint-Marc, Gonaïves, Cap-Haitien, Dondon, Milot, Hinche et Mirebalais

Table 1: Achievement of PDO Part I – PRODEPUR CDD

Target	Achievements
Basic infrastructure	
PDO Indicator 1: Increased access to water in disadvantaged urban areas that selected such subprojects (i.e., water kiosks, standpipes, community cisterns, rainwater capture, etc.). Target: 76.4%; value achieved 84.4% Target exceeded	61,501 people have benefited from improved access to water, through 38 water subprojects, including water kiosks, handpumps, standpipes, community cisterns, and rainwater capture.
PDO Indicator 2: Increased access to sanitation in disadvantaged urban areas that selected such subprojects (i.e., garbage collection, solid waste disposal, recycling, composting, sanitary blocks, etc.). Target: 33.44%; value achieved 33.22% Target substantially achieved	87 sanitation subprojects were completed, including the construction/rehabilitation of waste management infrastructure and cleaning of ravines, as well as community and family latrines.
PDO indicator 3: Increased access to rehabilitated street and drainage infrastructure in disadvantaged urban areas that selected such subprojects (i.e., cleared and rehabilitated drainage canals, ditches, etc.) Target: 35.44%; value achieved 49.45% Target exceeded	178 street rehabilitation subprojects were implemented (including rehabilitation/construction of roads, drainage, corridors, and electrification).
Social infrastructure	
PDO indicator 4: Increased access to social infrastructure and services in disadvantaged urban areas that selected such subprojects (daycare centers, primary schools, secondary schools, health clinics, job training) Target: 66.43%; value achieved 74.99% Target exceeded	
Education	40 schools/education centers were rehabilitated.
Health	Five health rehabilitation centers were financed.
Social and recreational spaces	43 social infrastructure subprojects were completed, including cultural/recreation centers, training/vocational centers, libraries, cybercafés, and social centers.
Capacity building	
Over 800 training sessions were held on 60 topics (including health management, leadership-communication-conflict management, infrastructure management, and business management) for CBOs and COPRODEPs, and benefited over 16,000 people, including over 6,700 women.	
Institutional achievements	
All 10 municipalities targeted by the CDD infrastructure interventions successfully implemented subprojects in conjunction with CBOs. The Project reports that PRODEPUR had positive impacts on local governance through the introduction of participation, consultation, and accountability between communities and local structures.	

72. *PRODEPUR Habitat* targeted the neighborhoods of *Delmas 32* and *Carrefour-Feuilles* and implemented a total of: (i) 39 urban upgrading subprojects (rehabilitation of: roads and corridors, a community center, two clinics, schools, construction of water kiosks, creation of green spaces, and risk mitigation works and cleaning of selected ravines); (ii) 66 new housing construction subprojects (including 63 social housing units and three single homes); (iii) rehabilitation of 1,404 damaged homes; and (iv) movement of 563 displaced families from temporary camps through the rental cash and relocation grants. Overall, the project has facilitated the return of over 8,800 residents. The removal of 42,800 m³ of debris contributed to improving access to basic services. The beneficiary survey confirms that 90% of beneficiaries are satisfied with the results of the post-

earthquake housing reconstruction subprojects. The Project reports that post-earthquake subprojects under *PRODEPUR Habitat* have contributed to improving the living conditions of over 40,800 households (about 200,000 people) in the targeted areas. The table below provides more details on outputs achieved.

Table 2: Achievement of PDO Part I – PRODEPUR Habitat

Target	Achievements
Basic infrastructure	
Improved street infrastructure	28 subprojects for improved street and drainage infrastructure, including corridors, sidewalks and stairs.
Small mitigation works	Three ravines were protected and cleaned.
PDO indicator 8: Residents that have returned to neighborhoods upon completion of housing reconstruction and repair works or receiving a rental grant Target: 5,480; value achieved 8,844 Target exceeded	(i) Construction of 63 social housing units for owners of homes that had a large impact who were willing to move into a multifamily complex. (ii) Rehabilitation of 1,404 damaged homes. (iii) Movement of 563 displaced families from temporary camps through the rental cash and relocation grants.
Water and sanitation	Construction of two water kiosks, laying of 2,900 meters of water piping, and construction of 11 community latrines.
Electricity	474 streets lamps were installed.
Social infrastructure	
Education	Three schools were rehabilitated.
Health	Two health centers were rehabilitated.
Social and recreational spaces	A community center was rehabilitated and green space was established.
Capacity building	
Over 380 training sessions were provided on construction practices, including: basic construction techniques, earthquake resistant construction techniques, home plumbing and floor tiling, disaster risk management, management of construction sites, and masonry.	
Institutional achievements	
- Strengthening of institutional capacity in the housing sector (jointly achieved with PREKAD): - Support for the creation of the <i>Unité de Construction de Logements et de Bâtiments Publics</i> (UCLBP), which quickly developed Haiti's first-ever housing policy. - Support for donor coordination under the leadership of the Government, which included the development of the comprehensive and standardized Rental Support Cash Grant Program (RSCG). - Support to the Housing Public Enterprise (EPPLS) to develop, in collaboration with UCLBP and BMPAD, the operations manual for management of new social housing built under the Project. - Development of neighborhood-level urban plans in close collaboration with CIAT. The urban plan for the Carrefour-Feuilles neighborhood is an example of an operational plan that has guided reconstruction efforts by integrating DRM information and developing future projects' profiles with specific financing needs. These planning tools are available to new mayors for future use. - Strengthening of institutional capacity in construction and disaster risk management (jointly achieved with PREKAD). - Support to the MTPTC to take the institutional and technical lead for reconstruction and disaster risk management activities after the earthquake. - Support for the application of reconstruction standard practices and the consolidation of the 2012 national building code.	

73. Achievement of Part 2 of the PDO - to improve access to and satisfaction with income-generating opportunities for residents of selected disadvantaged urban areas – is rated Modest.

74. The parent Project and the two AFs created temporary jobs that benefited the local population, especially the poor. The Government’s final report indicates that CDD activities created 275,000 person days of employment through productive subprojects at the construction sites of infrastructure subprojects. Debris removal activities provided an estimated 5,000 person days of cash-for work opportunities in *Cité-Soleil, Martissant, Bel-Air, and Delmas 32* under both *PRODEPUR CCD* and *PRODEPUR Habitat*. The beneficiary survey reports that between 6 percent and 17 percent of beneficiaries were hired for subproject execution, depending on the area. In areas covered by the second AF, two percent of the beneficiaries were able to start a small business from the income generated by temporary jobs for the implementation of subprojects. CECI, one of the MDODs, reports that overall urban upgrading and better road infrastructure constructed under the Project has allowed the emergence of new income-generating connectivity activities, e.g., motorcycle-taxi business. Training provided under the Project in construction techniques, home plumbing and floor tiling, management of construction sites, masonry and business management will improve access of the beneficiary population to future income-generating opportunities.

75. The PDO indicator 5 “percentage of productive/income generating subprojects that are self-sustaining six months after being fully operational” turned out to be an inadequate measure for the achievement of this part of the PDO. The communities did not choose to finance many income generating subprojects: under the *PRODEPUR CDD* only 131 income-generating subprojects (123 under the original project and 8 under the AF) were implemented, including community stores, bakeries and other catering, handicrafts/pottery production workshops, water kiosks, financing for women vendors, and charcoal production. While there are some notable success stories, only 12 percent of these subprojects were operational after six months (the target was set at 80%). The limited success rate of income-generating subprojects is attributed to the lack of financial resources for O&M and limited business management skills of CBOs. Based on the results of the original CDD activities, the second AF improved feasibility studies, and business management capacity building, which resulted in the prioritization of only eight productive subprojects, which are still operational.

76. It could be argued that (i) a six-month period may be too short to demonstrate operability and that some productive subprojects may have become successful later, and (ii) community productive subprojects survive as private enterprises, which would still benefit communities in terms of job creation and provision goods/service.

77. The successful income-generating subprojects benefited the community. For example, the brick-making factory in Delmas 32 employs 40 workers from the community, sells 1,500 bricks daily, and makes a monthly profit of up to HTG150,000 (approximately US\$3,200). Today, in addition to being self-sustaining, the factory has also acquired its own land with the profits made.

78. The efficacy overall rating is substantial given the strong achievements under Part 1 of the PDO. Although part 2 of the PDO saw limited success, it only represented 5 percent of the entire project envelope.

3.3 Efficiency

Rating: *Modest*

79. **Economic analysis at appraisal.** Given the demand-driven nature of the CDD sub-projects, it was not possible to know a priori how the resources would be allocated. Therefore, an ex-ante estimation of cost-effectiveness, economic rate of return, and fiscal impact was not carried out. However, at appraisal the parent project relied on data provided by the Urban CDD Pilot Project (PRODEPAP) financed by a World Bank Post-Conflict Fund (PCF) grant to ensure that subprojects would represent the least-cost and best alternative in terms of technical design. For the second additional financing appraisal, two subprojects from the Parent Project were reviewed for economic efficiency: a water supply (water ‘kiosk’) and an electrification (extension of the electric grid) subproject. The water kiosk project had an IRR of 30 percent and a payback period of 4.3 years. The electrification subproject exhibited even better results with an IRR of 75 percent and a pay-back period of 2.3 years. An ex-ante financial cost-benefit analysis was not calculated at appraisal and as part of the restructurings, given the demand-driven nature of the project.

80. **Economic analysis at ICR.** The ex-post economic analysis (see Annex 3 for more details) found the project to be economically viable with a net present value (NPV) of US\$14.9 million, an economic internal rate of return (EIRR) of 31%, and a Benefit - Cost ratio of 1.4. The economic analysis covers the 2008-2026 period, i.e., 10 years after the closing date of the project (Annex 3) and assumes that some of the health, economic, environmental and social benefits will accrue beyond project, based on the expectation that all assets will be properly operated and maintained in the future. The economic analysis covered the entire amount of the project, including the two AFs, and is based on disbursed costs. Five layers of benefits were considered, as summarized below:

- Benefit 1: **Cholera avoided** due to the movement of 8,844 displaced households.
- Benefit 2: **Land value appreciation** associated with the 22,280-linear meters of road and couloir construction, as well as small bridge and stair improvements.
- Benefit 3: **Drainage and other improvements** for 1,300 beneficiaries by project end in terms of gained opportunities.
- Benefit 4: **Houses repaired, retrofitted and constructed** as additional “economic” rent collected and considered proxies for households living in their own houses.
- Benefit 5: **Improved water** for 61,501 beneficiaries and **improved sanitation** for 2,729 beneficiaries.

81. **Financial analysis at ICR.** The amount budgeted of the income-generating activities did not exceed 5 percent of the entire project envelop. In view of this, plus the fact that only a very limited number of such sub-projects were operational at project completion, an ex-post financial analysis was not carried out.

82. **Administrative efficiency.** The parent project, as well as the two AFs, were implemented in very difficult circumstances: post-disaster conditions, fragility, and a volatile political environment. The original Project plus two AFs were implemented in a period of 8.5 years, with only an extension of six-months to complete the project; 99% of Bank funds were utilized at closing. Despite compliance with Bank fiduciary and safeguards requirements; it should be noted that FM is rated Moderately Unsatisfactory primarily due to delays submission of various documents, impairing project management and administrative efficiency. FM was rated MU for four consecutive ISRs between the end of 2011 and the beginning of 2014.

83. Given the administrative challenges encountered through implementation, overall efficiency is rated as modest.

3.4 Justification of Overall Outcome Rating

Rating: *Moderately Satisfactory*

84. The project's overall outcome is rated Moderately Satisfactory based on the assessments of relevance, efficacy, and efficiency, as summarized in Table 3 below.

Table 3: Summary of Assessment of Outcomes

	Ratings
Relevance of PDO	Substantial
Objectives	High
Design and implementation	Substantial
Efficacy / Achievement of PDO	Substantial
Improve access to and satisfaction with basic and social infrastructure	Substantial
Improve access to and satisfaction with income generating opportunities	Modest
Efficiency	Modest
Overall Outcome Rating	Moderately Satisfactory

3.5 Overarching Themes, Other Outcomes and Impacts

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

85. **Poverty.** The Project's focus was to increase access of poor residents to services and productive assets. Overall, project activities had an impact on the living conditions and wellbeing of the poor, which was confirmed by data from the GoH beneficiary survey.

86. **Gender.** The Project made a conscious effort to integrate women into formal project structures (COPRODEPs comprised 33.97% women) and about 12% of subprojects were initiated by women's groups. Project beneficiaries report that rape and gender-related violence have decreased in the project area, thanks to better street lighting provided by the Project.

87. **Social Development:** The Project's main social development achievements are: (i) strengthening participation; (ii) reinforcing collaborative working for the benefit of the entire community by giving a voice to the beneficiaries; and (iii) strengthening capacity at the CBO, municipality and line ministry levels. Most of the beneficiaries consider that the Project contributed to strengthening social cohesion.

(b) Institutional Change/Strengthening

88. **The Project led to sustained institutional capacity improvements at the community and local levels.** A large majority of COPRODEPs (as entities entirely linked to PRODEPUR) have been institutionalized as Councils for Community Development Support (CADECs) and some past members of COPRODEPs/CADECs have been elected to local public office during the last elections. CADECs now contribute to mainstreaming of the CDD approach in municipalities. This

improved the relationship between CADECs and local authorities and increases the chances of longer-term subproject sustainability. Despite issues of compromised sustainability in the design of subprojects, first-hand evidence demonstrates that CBOs are still closing the gap of sustainability and are involved in (or are even responsible for) the O&M of certain subprojects. CBOs are successfully applying project management skills acquired through the project in their day-to-day activities.

89. **Institutional capacity in the housing sector was successfully internalized by the GoH.** PREKAD and PRODEPUR were instrumental in strengthening the government's housing capacity after the earthquake. Both projects supported the creation of UCLBP Housing and Public Building Construction Unit in the office of the Prime Minister, which quickly developed Haiti's first-ever housing policy. The Rental Support Cash Grant Program (RSCG) implemented by UCLBP became the national reference for all donors engaged in the movement of IDPs to safer housing efforts. This model served as a national reference for the development of rental subsidies for all donors engaged in movement of IDPs and has become a national norm. The 2014 *Operational Manual on RSCG* programs provided a logistical and ethical framework around the rental cash grant for displaced people living in camps to recover their dignity by moving to safer houses. A standardized methodology has been developed and staff from mayors' offices, the Civil Protection Department (DPC), and the UCLBP have been trained to deliver RSCG programs. The RSCG experience in Haiti also served as a reference for the development of rental subsidies in other environments internationally and a summary of all findings and lessons was co-written and published by the Bank and other donors as a guide for such development. The Housing Public Enterprise (EPPLS) within the Ministry of Social Affairs and Labor (MAST) has developed, in collaboration with UCLBP and BMPAD, the operations manual for the management of new social housing built under the Project.

90. **Institutional and technical capacities in construction and disaster risk management have been successfully internalized and streamlined by the GoH.** The Ministry of Public Works, Transport, and Communications (MTPTC) became the *de facto* lead agency for many reconstruction and disaster risk management activities after the earthquake, and carried out: (i) the building safety (habitability) assessment; (ii) debris clearance, and (iii) public infrastructure reconstruction. MTPTC implemented programs that created standard practices and *de facto* policies, which laid the ground for the consolidation of the 2012 national building code. MTPTC provided hands-on capacity building to beneficiaries of Housing Repair and Reconstruction grants under *PRODEPUR Habitat* and to MDODs, as well as to other line ministries involved in the reconstruction process. The project also provided TA and funds to train masons on new construction guidelines.

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

91. **PRODEPUR's experience demonstrates that CDD can be effectively used (i) in post-disaster and reconstruction contexts, and in (ii) formulating new habitat approaches.** The use of the original PRODEPUR CDD structure and the establishment of CRCs (for project information sharing and capacity building, cash-for work programs for debris removal and infrastructure works, as well as self-reconstruction by communities) had highly positive results, not only to address immediate emergency needs but also to successfully implement reconstruction activities. Reconstruction projects with community involvement have the potential to address immediate infrastructure needs, and at the same time create revenue-generating activities to benefit disaster affected households. The pilot social housing activities introduced through the construction of multifamily complexes in *Delmas 32* adopted a community approach to managing common areas.

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

92. The beneficiary assessment (see Annex 5) found that more than 90 percent of beneficiaries are satisfied with the results of the Project and confirm that subprojects have brought considerable positive economic, social and cultural changes in their communities. Over 78 percent consider that CDD infrastructure subprojects are sustainable and about 90 percent consider that reconstruction infrastructure subprojects under *PRODEPUR Habitat* are sustainable. The Project also enabled communities to gain a better understanding of Government systems and the services provided by government. Local consultations and the capacity building component of the Project were highlighted as positive features of PRODEPUR. A stakeholder workshop was organized in Saint Marc during December 14-16, 2016 to present the results of the components of each project and difficulties encountered by the providers and the lessons learned from each partner were reviewed. The positive outcomes of the projects were highlighted and institutions and development partners stressed the importance of consolidating the results through a strong leadership of the government. Consolidation of results would necessitate the (i) establishment of reconstruction guidelines and coordination mechanisms for post-disaster contexts; (ii) improved pro-active urban planning and disaster risk management.

4. Assessment of Risk to Development Outcome

Rating: Substantial

93. **The risk to sustainability of works is rated Substantial.** The primary concern is the limited budget of local governments to operate effectively. Many municipalities have little access to finance operating costs, collect limited own source revenue and largely depend on the insufficient transfers from the national government to finance public services and infrastructure maintenance. The Central Government is taking steps to strengthen the financial and technical capacity of local governments through support to the decentralization reform. Technical Assistance has been provided to various municipalities through various projects financed by development partners to improve: own-service revenues; budgetary capacity; and investment planning, execution and maintenance⁴⁵. These efforts will contribute to ensure the sustainability of the basic services infrastructure built under the PRODEPUR. Additional technical capacities would however be necessary at the municipal level to ensure the physical sustainability of investments.

94. **The risk to the sustainability of social capital achievements is rated Substantial.** Some social capital achievements acquired through capacity building under the project are expected to remain. These include: more transparency in decision-making, community participation in prioritizing investments, improved dialogue and engagement with local authorities, procurement methods and financial accountability, and social and environmental monitoring. However, follow-up capacity building will be needed to maintain them over time.

95. **The risk to the sustainability of institutional achievements is rated Substantial.** A large majority of the COPRODEPs have been transformed into CADECs and have become permanent features of local institutions at the communal level. Institutional achievements at the national level resulting from the reconstruction activities under *PRODEPUR Habitat* are also considered sustainable. UCLBP is a functioning housing policy institution that has been operational in the

⁴⁵ Recent municipal development activities build on two flagship initiatives from MICT in the Nord and Nord-Est Departments of the country, the *Programme d'Intervention Nord /Nord-Est* (PINNE),

aftermath of the earthquake. However, there is political fragility surrounding Haitian institutions and lack of predictability in national budget planning.

5. Assessment of Bank and Recipient Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: *Moderately Satisfactory*

96. Section 1.1 and Annex 10 provide the context at appraisal. Section 2.1 discusses the soundness of background analysis, project design, government commitment, and assessment of risks, while sections 2.3 and 2.4 discuss M&E design, safeguards and fiduciary aspects. Section 3.1 discusses the relevance of design and implementation and rates it a Substantial. While shortcomings have been identified, especially in the Results Framework, overall these are considered minor, especially in the context of Haiti.

97. **Project design and institutional analysis.** Project components were directly linked to the PDO, except for the capacity strengthening component. Component 1 contributed to delivering basic and social infrastructure and services, as well as income-generating opportunities for residents of selected disadvantaged urban areas. Component 4 directly addressed the housing repair and reconstruction and community infrastructure improvement needed because of the Emergency. Component 2 ensured that the necessary capacity building assistance was provided to CBOs, MDODs and line ministries in the provision of infrastructure, housing, services and income-generating activities of Components 1 and 4. Institutional arrangements built on previous CDD engagement in Haiti that had proven successful, in particular in the FCV context. These included BMPAD being responsible for overall project implementation, and involving Community-Based Organizations (CBOs), Project Development Councils (COPRODEPs), the Service Providers (MDODs), and the municipal government.

98. **Technical design.** The Bank responded rapidly to acute post-conflict and post-disaster needs and ensured a solid technical design at approval. For the *PRODEPUR CDD* activities, Project design was sound and based on the Bank's longstanding CDD experience in Haiti and in other countries, and benefited from the first PCF urban pilot operation. Project objectives were attainable and addressed the country's needs, while the CDD methodology was considered robust. However, the design incorporated income-generating subprojects as eligible activities to be financed under Component 1, which turned out to be not in demand and hence should have been corrected during implementation. The design of *PRODEPUR Habitat* activities built on international experience in post-disaster housing reconstruction operations in Indonesia, India and Pakistan⁴⁶, which had demonstrated that community-driven reconstruction approaches produce effective and sustainable results, as well as higher beneficiary satisfaction. Although all project basics of the first AF were sound, and the delivery mechanisms used had proven effective in the past, some key design elements had to be rethought. In particular, the assumption that reconstructing private houses for owners would be the shortest route to rehousing large numbers of displaced persons who were renters was revealed to be incorrect. The project therefore needed to be restructured and equipped with tools to return renters to neighborhoods, while increasing rental stock in the city. These design adjustments showed the Bank and the Government's ability to adjust to changing conditions and to evolving priorities as the massive aftermath of the disaster became clearer. Repeated restructurings

⁴⁶ These include: the 2005 Aceh Community-Based Settlement Reconstruction and Rehabilitation Project (P096248), and the 2007 Yogyakarta Community-Based Settlement Reconstruction and Rehabilitation Project (P103457) in Indonesia; the 2005 Emergency Recovery Credit (P099110) in Pakistan; and the 2002 Gujarat Emergency Earthquake Reconstruction Project (P074012) in India.

were used to ensure that the project kept pace with these changing conditions and evolving awareness and analysis by the Government, the Bank and other development partners and stakeholders.

(b) Quality of Supervision

Rating: *Moderately Satisfactory*

99. **Regular and sustained engagement with the Project Implementing Unit.** The Bank team visited the BMPAD on average every three months to ensure that project implementation progressed satisfactorily in line with the appraisal and the legal documents. Implementation issues were identified early and addressed quickly through restructuring, Additional Financing, and close implementation support. Following the 2010 earthquake, the scope of the project was expanded in the PDO and additional financing was provided. The Bank team visited the project almost on a monthly basis to agree on an action plan to respond to the immediate needs as well as to start up new initiatives. The findings of the 2012 MTR were used to scale up the urban community sub-projects through a second additional financing.

100. Supervision focused on: (i) ensuring a steady implementation rhythm; (ii) reviewing the quality of the subprojects in the field; and (iii) providing hands-on implementation support and technical assistance to the GoH. A dedicated full-time Bank staff based in Port-au-Prince provided implementation support for both PREKAD and PRODEPUR. Supervision in some neighborhoods (in particularly Cite Soleil) and in other parts of the country was often hampered by high insecurity, which led to travel restrictions to project areas. The Bank provided capacity building TA to BMPAD to reinforce project management capacity, including monitoring of safeguards compliance, and supervision and oversight of the MDODs. One of the important deliverables of this TA was a revised organigram of the BMPAD's project implementing team, which highlighted the functions and coordination/reporting arrangements among the different specialists and support teams (*PRODEPUR CDD*, and *PRODEPUR Habitat*, including housing).

101. **Monitoring and reporting.** Implementation status was documented candidly in the biannual ISRs, based on challenges encountered during project implementation.

102. **Technical supervision.** Despite having put into place quality assurance mechanisms through the application of standardized designs (that included engineering aspects, technical, financial, and economic feasibility, O&M, simple environmental guidelines and cost parameters) and semiannual technical audits, the Bank encountered challenges in ensuring that these mechanisms were properly applied, especially the technical quality of works and the sustainability of revenue-generating projects. While the design of CDD activities under the second AF strengthened the TA for income-generating subprojects, the PDO indicator to assess the achievement of the second part of the PDO "increase access and satisfaction with income-generating opportunities" should have been reviewed and revised.

103. **M&E, safeguards and fiduciary compliance.** Overall, the Bank made significant efforts in providing close M&E supervision; however, M&E remained a challenge throughout implementation considering the dynamics of the operation and also the FCV context⁴⁷. The Bank supervised the environmental and social aspects of subprojects diligently, including compliance with Bank safeguard policies, through separate biannual reports as well as social and environmental

⁴⁷ In several instances, performance indicators were added, removed or retitled; and baselines and targets were adjusted in ISRs and Aide-Memoires outside of formal restructurings.

audits. Although the Bank provided extra support to address the weaknesses in project FM and all funds appropriately accounted for by the end the project, the delays encountered in reporting on advances by the MDODs and by BMPAD could not be entirely resolved. Difficulties encountered in FM supervision prevents the Bank from proving a Satisfactory rating for Quality of Supervision.

104. Based on the above, the Quality of Bank Supervision is rated Moderately Satisfactory.

(c) Justification of Rating for Overall Bank Performance

Rating: *Moderately Satisfactory*

105. Overall Bank performance is rated Moderately Satisfactory based on the Moderately Satisfactory ratings for Ensuring Quality at Entry and Quality of Supervision.

5.2 Recipient Performance

106. Government performance is rated Moderately Satisfactory.

(a) Government Performance

Rating: *Moderately Satisfactory*

107. **The GoH was fully committed towards the preparation and implementation of PRODEPUR.** Considering the FCV and post-earthquake context of Haiti, Government took a proactive and leading role in the implementation of the project. Supporting circumstances such as joint actions of the GoH and the United Nations Stabilization Mission (MINUSTAH) have helped reduce crime and violence, and permitted a return to relative normalcy after the outbreak of violence in 2004. This action program underpinned government effectiveness. In the subsequent phase of PRODEPUR, despite the earthquake impact in terms of weakened capacity, GOH institutions rebounded to continue supporting implementation efforts. Most GoH institutions involved in the PRODEPUR and PREKAD implementation utilized the TA support provided either indirectly from the Bank through BMPAD (or directly through other development partners), and contributed to providing the necessary support in terms of guidelines, mechanisms, clearance, etc and ensured that all subprojects were completed before the Project closing date.

(b) Implementing Agency or Agencies Performance

Rating: *Moderately Satisfactory*

108. **BMPAD.** BMPAD's initial existing capacities mainly pertained to CDD implementation. In addition, BMPAD staff was severely overloaded because of its involvement in disaster relief and reconstruction activities. Nevertheless, BMPAD quickly adapted to the needs of the Project by strengthening its human resources and expertise to allow for a better monitoring of infrastructure works, including in social housing and movement of IDPs into safer housing solutions. BMPAD restructured its operational model and split the responsibilities of the *PRODEPUR CDD* and the *PRODEPUR Habitat* between two different units, which considerably improved project implementation. However, given the scale of project activities, it was not fully equipped to ensure that quality assurance mechanisms were properly applied. BMPAD also encountered challenges in financial management, procurement and safeguards compliance due to high turn-over and limited trained staff; there were long delays in signing of contracts and reporting as discussed in Section 2.4. BMPAD struggled to effectively implement the results framework, especially in aligning MDODs' reporting of subproject progress and costs with the needs of the overall project M&E system (see Section 2.3). Despite these shortcomings, it has to be acknowledged that BMPAD

played a key role in the successful implementation of the project and deserves major credit for project outcomes. BMPAD is rated Moderately Satisfactory.

109. **MDODs.** The MDODs carried out the project's field activities assigned to them successfully. As subcontractors, they performed with great competence, especially under the difficult field conditions of gang-violence and emergency reconstruction. The MDODs provided high quality capacity building to subprojects: they accompanied the transparent selection process, supervised implementation, provided technical assistance and advice, and supervised financial management by the CBOs and COPRODEPs/CADECs. Nevertheless, certain delays in technical and financial reporting to BMPAD remained, which impacted overall M&E and Financial Management as discussed above. The performance of the MDODs is rated Moderately Satisfactory.

110. **UCLBP.** The UCLBP successfully coordinated and supervised the implementation of the rental and relocation cash grant under Component 4 of the project. UCLBP developed an important convening power across all the Government Ministries involved in post-earthquake reconstruction and the displaced population in camps to successfully complete activities under this Component. The performance of the UCLBP is rated Moderately Satisfactory.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

111. The exogenous and endogenous factors that challenged Haiti and Project implementation are reflected in the ratings of Government and Implementing Agency performance (see above). Based on these ratings, overall Borrower performance is rated Moderately Satisfactory.

6. Lessons Learned

General Application

- **The CDD approach in the fragile urban context of Haiti successfully helped mitigate conflict and violence and improved access to basic services but may not necessarily lead to large and sustainable income-generating impacts.** CDD initiatives can quickly provide improved access to basic services and demonstrate visible improvements for the residents of particularly volatile neighborhoods. However, the PRODEPUR experience shows that income-generating CDD subprojects in urban areas in Haiti face high risks⁴⁸ with potentially low rates of success. Given the challenging business environment and the limited management capacity of CBOs, productive CDD subprojects may not represent the most effective way of creating income-generating opportunities to beneficiary communities in urban areas.
- **The CDD approach can play an important role in post-disaster reconstruction.** Reconstruction activities under *PRODEPUR Habitat* benefited from the strong community involvement developed through the original CDD activities, as they allowed for a rapid mobilization of human and financial resources to address emergency needs and rapidly re-establishing basic services. An inclusive post-disaster reconstruction process can also have positive economic and social impacts, such as: (i) the creation of short-term income-generating activities through construction jobs; (ii) the provision of vocational training in areas related to construction; and (iii) the inclusion of social/community investments in reconstruction plans. Global experience

⁴⁸ Income-generating CDD subprojects' success depends on strong feasibility studies, continuous capacity building in business management, and involved CBOs.

has also demonstrated that CDD is useful in responding to post-disaster contexts, by helping in restoring basic services in affected areas in a fast, flexible and effective manner.

- **CDD approaches can enable engagement with municipalities for further urban development initiatives in Haiti.** The election of mayors in 2016 provides an opportunity to directly engage with municipalities to support the provision of basic services through financing and capacity building for investment planning and execution. CDD approaches can be used by local governments as citizen participation tools to (i) engage in urban planning and inform project identification, and (ii) collect/provide feedback on specific needs and satisfaction levels during implementation, thus strengthening social accountability and trust in government institutions.

- **Countries that are highly vulnerable to disaster would benefit from preventively establishing or strengthening housing policies, building standards, land planning tools, and land tenure mechanisms.** This would ensure the best institutional environment for effective housing and infrastructure reconstruction. More specifically: (i) a housing policy needs to be formulated or regularly updated, especially in terms of building codes and standards; (ii) a multi-sectoral cadaster could be gradually set up as a land information system that is essential for land management and that would help manage the aftermath of a disaster; and (iii) records of household status (owner or renters) should be maintained by municipalities and possibly integrated in the multi-sectoral cadaster.

- **PRODEPUR Habitat and PREKAD supported the development of institutional tools for future disaster recovery and reconstruction efforts, in particular to address the displacement of affected people.** The RSCG Operational Manual helped develop a modus operandi that could be used globally to support shelter solutions for displaced persons other than camps. As an instrument to transit out of camps to better housing and more normal conditions or as an alternative to shelter in camps, rental grants can provide eligible households with support in a form other than camp lodging with all its downsides. Whether this instrument can facilitate more rapid integration of displaced persons or refugees into receiving communities would have to be tested. Although this scheme provides an instrument that could prove timely in the aftermath of a disaster or in a refugee crisis, its phasing out presents a challenge. Regular monitoring and follow up on the renters and clear alternative plans for the renters, who could not afford to stay after one year, need to complement this instrument.

- **Implementation of social housing projects with community management of shared spaces are possible in the Haitian context, despite the lower social cohesion in urban areas, mistrust of state actors and weak land-tenure systems.** Pilot social housing activities introduced through the construction of multifamily complexes in *Delmas 32* demonstrate that these types of housing projects are possible in the Haitian context.

Project Management-Specific

- **In disaster-prone and fragile countries, allow for a flexible project design and make use of existing mechanisms.** In countries, such as Haiti, which are politically fragile and highly vulnerable to disasters, projects need to adopt a more flexible approach with a broader definition of components in order to avoid frequent restructuring.

- **Extra care is needed in the design of M&E systems.** Given the large portfolio of subprojects and the limited monitoring capacity of government agencies, care should be taken in designing an agile RF that is appropriate for both the project and country conditions.

- **Define operations and maintenance mechanisms** in accordance with municipalities (or other responsible line ministries') annual budgets, local development plans, and sectorial strategies to increase sustainability.
- **On-going institutional strengthening and capacity building will be necessary in fragile contexts such as Haiti to ensure sustainability of project outcomes.** The earthquake revealed institutional and technical challenges in the Disaster Risk Management (DRM) and urban sectors in Haiti. While the Project managed to achieve important results, on-going institutional strengthening and capacity building in DRM, Housing and Infrastructure management will be necessary.

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

(a) Grantee/Implementing agencies

112.

113. The GoH recognized the positive outcomes of the project and agreed with the findings of the ICR⁴⁹. The Government's evaluation found that the majority of project objectives were successfully met. Annex 7 contains (i) a summary of the Government's evaluation report, including important recommendations identified by the GoH; and (ii) a summary and the complete comments to the draft ICR provided by the GoH, which were taken into account in the final document.

(b) Co-financiers/Donors: N/A

(c) Other partners and stakeholders: N/A

⁴⁹ The Government had provided its comments on an earlier ICR version with an overall outcome rating of "Satisfactory".

Annex 1 - Project Costs and Financing

(a) Project Cost by Component (in US\$ Million equivalent)

Component	Original (2008)	First Additional Financing (2010)	Second Additional Financing (2014)	Total cumulative by component	Actual/Latest Estimate (US\$ millions) *	Percentage Appraisal (%)	of
Component 1: Community Subproject Funding, Management, and Support	12.7	0.0	5.90	18.6	17.7	95	
Component 2: Capacity-Building and Technical Assistance	0.9	0.0	0.25	1.2	7.7**	157	
Component 3: Project Administration, Supervision, Monitoring and Evaluation	2.1	0.9	0.65	3.7			
Component 4: Housing Repair and Reconstruction	0.0	29.1	0.70	29.8	25.4	85	
Total	15.7	30.0	7.5	53.3	50.8 ⁵⁰	95	
Total cumulative	15.7	45.7	53.2				

*Note: *This line was entered pending the release of the final audit.*

*** Costs by component are presented in this format in the final report received from the government*

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$ millions)	Actual/Latest Estimate (US\$ millions)	Percentage of Appraisal
Recipient	Counterpart contributions)	0.8	0.8	100%
International Bank for Reconstruction and Development		53.2	53.2	100%
Total		54	54	100%

⁵⁰ Due to exchange rate fluctuations, the project incurred losses in total financing

Annex 2 - Outputs by Component

Component 1: Community Subproject Funding, Management, and Support (US\$13.5 million; IDA US\$12.70 million and US\$800,000 in counterpart funding from beneficiary contributions). This Component financed all costs related to the implementation of community and municipal subprojects, including: (a) Financing of small-scale socioeconomic infrastructure and productive/income-generating subprojects (of about US\$20,000 on average per community subproject and US\$50,000 on average per municipal subproject) identified either by CBOs or jointly by CBOs and municipal governments, and later prioritized by representative Community-Driven Project Development Councils (COPRODEPs) as a function of available resources under the project; and (b) Contracting of service providers or *Maîtres d'Ouvrage Délégué* (MDODs) to mobilize CBOs to participate in the project, and to provide the necessary training and technical assistance to CBOs in the preparation and subsequent execution of subproject investments.

Overall achievements of small-scale socioeconomic infrastructure and productive/income-generating subprojects under the PRODEPUR CDD

Small-scale infrastructure. The Project improved access to basic and social infrastructure of poor urban communities in 10 municipalities of the country by financing a total of 521 subprojects, including: (i) 359 basic services infrastructure subprojects (rehabilitation/construction of roads and corridors, rehabilitation/construction of water and sanitation systems – including cleaning of ravines, rehabilitation of public squares, and establishment of electrification infrastructure); and (ii) 247 social subprojects (construction/rehabilitation of schools, cultural/recreation centers, training/vocational centers, libraries, cybercafés, health centers, and social centers). The CDD subprojects have contributed to improving the living conditions of one million beneficiaries living in poor urban areas (calculated as the total population of the targeted municipalities). Per the beneficiary survey, 80% of beneficiaries were satisfied with the efficacy of CDD subprojects.

Productive/income-generating subprojects. The PRODEPUR CDD financed 131 income-generating subprojects; 123 under the original project and 8 under the AF, including community stores, bakeries and other catering, handicrafts/pottery production workshops, water kiosks, female vendors, and charcoal production. Only 12 percent of these subprojects were operational after six months. The Project's final report indicates that under CDD activities, 275,000 person-days of temporary jobs were created through (i) productive subprojects, and (ii) construction sites of infrastructure subprojects.

The table below provides more details on outputs achieved under this Component.

Target	Achievements
<i>Basic infrastructure</i>	
Increased access to water	61,501 people benefited from improved access to water through 38 water subprojects, including water kiosks, handpumps, standpipes, community cisterns, and rainwater capture.
Increased access to sanitation systems	87 sanitation subprojects were completed, including the construction/rehabilitation of waste management infrastructure and cleaning of ravines, as well as community and family latrines.

Improved street, drainage and electricity infrastructure	178 street rehabilitation subprojects were implemented (including rehabilitation/construction of roads, drainage, corridors, and electrification).
Public square and housing rehabilitation	Eight public markets and squares were rehabilitated and 180 homes were rebuilt after the earthquake under one subproject.
<i>Social infrastructure</i>	
Education	40 schools/education center rehabilitation subprojects were implemented.
Health	Five health rehabilitation centers were financed.
Social and recreational spaces	43 social infrastructure subprojects were completed, including cultural/recreation centers, training/vocational centers, libraries, cybercafés, and social centers.
<i>Income generating opportunities</i>	
Community stores, bakeries and other catering, handicrafts/pottery production workshops, water kiosks, financing for women vendors, and charcoal production.	131 income-generating subprojects were completed.
Temporary jobs created through (i) productive subprojects, and (ii) construction sites of infrastructure subprojects.	275,000 person-days of temporary jobs were created.

Component 2: Capacity-Building and Technical Assistance (US\$ 0.90 million - IDA only). This Component financed all the “soft” activities related to community subprojects implementation.

Component 2 provided the relevant technical assistance necessary for the successful implementation of Component 1 subprojects. It financed: (i) Training-of-trainer activities in basic management, administration, accounting, and financial management for Project Development Councils and municipal government officials; (ii) Capacity building and technical assistance to strengthen governance, participatory development, supervision, and coordination capacity at the municipal-government level and to relevant ministerial staff; and (iii) Workshops for MDODs to harmonize practices to support CBOs and Project Development Councils in carrying out Component 1 activities.

<i>Capacity building</i>
• About 811 of training sessions on 60 topics (in health management, leadership-communication-conflict management, infrastructure management, business management and maintenance) were provided to CBOs, COPRODEPs/CADECs and municipalities (local, regional and national level) to support subproject implementation, benefiting a total of 16,816 people, including 6,780 women. • Each school project was supported by a training to teachers and principals to facilitate the implementation of the national education curriculum and to strengthen administration capacity. • A number of inter-COPRODEP workshops were conducted to facilitate exchange between different communes. • A number of workshops were conducted to support the conversion of COPRODEPs into CADECs.

- Ongoing training was provided to CBOs on subproject design and preparation.

Institutional achievements

All 10 municipalities targeted by the CDD infrastructure interventions successfully implemented subprojects in conjunction with CBOs. The Project reports that PRODEPUR had positive impacts on local governance as it introduced best practices in participation, consultation, and accountability between communities and local structures.

Component 4: Housing Repair and Reconstruction (US\$29.1 million). This Component consisted of the following four sub-components: (i) Debris Removal from selected PRODEPUR areas; (ii) Cash Grants for Housing Repair and Reconstruction and movement of IDPs from camps to safer housing solutions; (iii) Community Infrastructure Repair and Improvement, including, *inter alia*, roads, walkways, drainage ditches and channels, solid waste management, water supply systems, sanitation facilities and related equipment, as well as the creation of Community Reconstruction Centers; and (iv) Advisory Services for, *inter alia*, the supervision of construction activities, the provision of training with respect to new building codes and techniques, the establishment and operation of community reconstruction centers (CRCs), and the provision of technical assistance for the preparation of medium and long term urban development and housing strategies, and associated policy and administrative measures.

Achievements of PRODEPUR Habitat

The PRODEPUR Habitat targeted the neighborhoods *Delmas 32* and *Carrefour-Feuilles* and implemented: (i) 39 urban upgrading subprojects (rehabilitation, comprising roads and corridors, a community center, two clinics, schools, the construction of water kiosks, creation of green spaces, risk mitigation works, and cleaning of selected ravines; (ii) 66 new housing construction subprojects (including 63 social housing units and three single homes); (iii) rehabilitation of 1,404 damaged homes; and (iv) the movement of 563 families out of temporary camps through rental cash and relocation grants. Overall, the project facilitated the return of 8,844 residents to their neighborhoods upon completion of housing reconstruction and repair works or receiving a rental grant. The removal of 42,800 m3 of debris also contributed to improving access to basic services. The table below provides more details of outputs achieved by this component.

Target	Achievements
<i>Basic infrastructure</i>	
Debris removal	42,800 m3 of debris removal contributed to improving access to basic services.
Improved street infrastructure	28 subprojects for improved street and drainage infrastructure, including corridors, sidewalks, and stairs.
Small mitigation works	Three ravines were protected and cleaned.
Housing	(i) Construction of 63 social housing units for owners of red homes (large impact) willing to move into a multifamily complex. (ii) Rehabilitation of 1,404 damaged homes (allocation of US\$1,500 per medium impact home or US\$4,500 for homes needing retrofit). (iii) Movement of 563 families out of temporary camps through rental cash and relocation grants.

Water and sanitation	Two water kiosks were constructed, 2,900 meters of water distribution pipes were laid, and 11 community latrines were installed.
Electricity	474 streets lamps were installed.
<i>Social infrastructure</i>	
Education	Three schools were rehabilitated.
Health	Two health centers were rehabilitated.
Social and recreational spaces	A community center was rehabilitated and green space was established.
<i>Income-generating opportunities</i>	
Data on job creation from construction sites is only available for one MDOD (CECI), which reports that 3,995 person-days of jobs were created.	
<i>Capacity building</i>	
About 382 training sessions on construction practices were provided through the Project on various topics, including basic construction techniques, earthquake resistant construction techniques, home plumbing and floor tiling, disaster risk management, management of construction sites, and masonry.	
<i>Institutional achievements</i>	
• Establishment of neighborhood community reconstruction centers (CRCs) • Strengthening of institutional capacity in the housing sector: - Support for the creation of the <i>Unité de Construction de Logements et de Bâtiments Publics</i> (UCLBP), which quickly developed Haiti's first-ever housing policy. - Support to donor coordination under the leadership of the Government, which included the development of the comprehensive and standardized Rental Support Cash Grant Program (RSCG). - Support to the Housing Public Enterprise (EPPLS) to develop, in collaboration with UCLBP and BMPAD, the operations manual for the management of new social housing built under the Project. - The development of neighborhood-level urban plans in close collaboration with CIAT: The urban plan for the Carrefour-Feuilles neighborhood provides a good example of an urban development plan that was operational and guided reconstruction efforts by integrating DRM information and developing profiles of future projects with specific financing needs. These planning tools are now available to new mayors for future use. • Strengthening institutional capacity in construction and disaster risk management: - Support to the MTPTC to take the institutional and technical lead for reconstruction and disaster risk management activities after the earthquake. - Support for the application of standard practices for reconstruction and consolidation of the 2012 national building code.	

Annex 3 - Economic and Financial Analysis

1. The project financed (a) small-scale investments to improve basic infrastructure (including streets/roads/footpaths, water, drainage, sanitation facilities), social infrastructure (including rehabilitation of schools and health centers), (b) urban reconstruction after the earthquake, and (c) income-generating activities (including bakeries, community stores, cybercafés). Given the demand-driven nature of the Community-Driven Development (CDD) sub-projects, it was not possible to know a priori precisely how the resources would be allocated. Therefore, an ex-ante estimation of cost-effectiveness, economic rates of return, and fiscal impact was not possible.

Analysis at Appraisal

2. **Economic Analysis of CDD infrastructure subprojects.** Data from the Urban CDD Pilot Project (PRODEPAP) - financed by a World Bank Post-Conflict Fund (PCF) grant and under implementation at appraisal of the parent project - provided some insight into the types of subprojects that CBOs in disadvantaged urban areas would propose, ensuring that subproject design would represent the least-cost and best alternative. For the second additional financing appraisal, two subprojects from the Parent Project were reviewed for economic efficiency: a water supply (water 'kiosk') subproject and an electrification (extension of the electric grid) subproject. The water kiosk project had an IRR of 30 percent and a payback period of 4.3 years, while the electrification subproject exhibited even better results with an IRR of 75 percent and a pay-back period of 2.3 years.

3. **Economic Analysis of urban infrastructure upgrading.** A traditional ex-ante economic analysis was not conducted for urban upgrading activities financed under *PRODEPUR- Habitat* due to their emergency nature and/or the fact that most of the investments would be identified as the implementation progressed. Particular care was taken to ensure that all investments represented the least cost solution and were fully endorsed by the communities.

4. **Financial Analysis of CDD income generating subprojects.** The parent project's financial analysis of income generating activities also relied on data from the PRODEPAP, which indicated a rate of return of these activities ranging from 14 percent to 33 percent. As part of the second additional financing, financial analysis was performed using the Parent Project's M&E data. The computed IRRs were positive for all subprojects; they were lower than 10 percent for two types of subprojects (food store and chicken production).

Ex-post analysis at ICR

5. **Economic Analysis of CDD infrastructure subprojects and urban infrastructure upgrading.** An economic analysis was performed at ICR for both CDD infrastructure subprojects and urban infrastructure upgrading activities. A number of key assumptions were considered for the economic analysis (i) A discount rate of 6% per annum; (ii) The right-of-way, including the price of land and any structures on it, were excluded from the analysis; and (iii) Benefits are assumed to accrue over and after project implementation (see Table A3.4).

6. As many of the benefits of CDD and urban infrastructure subprojects are difficult to quantify, the economic analysis is limited to:

- Reduced incidence of cholera
- Increase in land value due to community infrastructure interventions
- Reduced losses from flooding in flood-prone neighborhoods

- Rental value of repaired and reconstructed houses
- Introduction of improved water and sanitation.

7. The ex-post economic analysis found the project to be economically viable with a net present value (NPV) of US\$14.9 million, an economic internal rate of return (EIRR) of 31%, and a Benefit - Cost ratio of 1.4. The economic analysis covers the 2008-2026 period, i.e., 10 years after the closing date of the project and assumes that some of the health, economic, environmental and social benefits will accrue beyond project end, based on the expectation that all assets will be properly operated and maintained in the future. The economic analysis covered the parent project and the two AFs and was based on disbursed costs. Five layers of benefits were considered, as summarized below:

- Benefit 1: **Cholera avoided** due to the movement of 8,844 displaced households into safer homes.
- Benefit 2: **Land value appreciation** associated with the 22,280-linear meters of road and couloir construction, as well as small bridge and stair improvements.
- Benefit 3: **Drainage and other improvements** for 1,300 beneficiaries.
- Benefit 4: **Houses repaired, retrofitted and constructed** as additional “economic” rent collected and considered proxies for households living in their own houses.
- Benefit 5: **Improved water** for 61,501 beneficiaries and **improved sanitation** for 2,729 beneficiaries.

Results of the Economic Analysis. All costs associated with the four components are considered in the economic analysis and are assumed to be disbursed as shown in the table below. Benefits are considered to accrue from 2012.

Table A3.4: Economic Flows
(Truncated at 2017, in US\$ million)

Category	009	010	011	012	013	014	015	016	017
Total CAPEX	2.2	0.5	8.6	3.2	13.2	4.7	4.5	12.0	
Total OMEX					0.2	0.2	0.2	0.2	0.2
Ben 1 Cholera avoided					0.2	0.2	0.2	0.2	
Ben 2 Land appreciation				10.7	10.7	10.7	10.7	10.7	
Ben 3 Drainage and better access								0.0	0.0
Ben 4 House repaired					0.2	0.3	0.5	1.0	1.0
Ben 5 Water and Sanitation				0.7	0.7	0.7	1.4	1.4	1.4

The project is economically viable, with a net present value (NPV) of US\$14.9 million, an economic internal rate of return (EIRR) of 31%, and a PV B/C ratio of 1.4. The results are summarized in the table below. Details of the economic analysis are in the Project Files.

Table A3.5: Economic Analysis of the Project

Key Economic Indicator	Viability Criteria (6% Discount rate Over a 6-year investment)	Entire Project discounted at 4%	Entire Project discounted at 6%	Entire Project discounted at 8%
NPV (US\$ million)	>0	19.2	14.9	11.7

ERR ($\pm\%$)	$\geq$ discount rate	31%	31%	31%
PV Benefit/Cost Ratio	>1	1.5	1.4	1.4
Viability		Yes	Yes	Yes

Financial analysis. The amount budgeted of the income-generating activities did not exceed 5 percent of the entire project envelop. In view of this, plus the fact that only a very limited number of such sub-projects were operational and project completion, an ex-post financial analysis was not carried out.

Annex 4 - Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Garry Charlier	Lead Agriculture Specialist	GFA04	TTL
Bernice K. Van Bronkhorst	Practice Manager	GSU13	Co-TTL
Solange A. Alliali	Lead Operations Officer	AFREC	Legal
Edward William Bresnyan	Senior Agriculture Economist	GFA12	
Maria E. Castro-Munoz	Consultant	GSURR	Safeguards
Ann Jeannette Glauber	Lead Environmental Specialist	GEN2A	Safeguards
Alessandra Heinemann	Junior Professional Associate	LCSSO - HIS	
Dianelva Montas	Program Assistant	CASWR	
Fily Sissoko	Practice Manager	GGO24	Financial Management
Yao Wottor	Senior Procurement Specialist	LCSPT - HIS	Procurement
Supervision/ICR			
Elisa Muzzini	Senior Economist	GSU10	
Jonas Ingemann Parby	Senior Urban Specialist	GSU10	TTL
Ali Alwahti	Urban Specialist	GSU10	TTL
Sylvie Debomy	Lead Urban Development Specialist	GSU19	TTL
Joan Dessaint Fomi	Senior Urban Development Consultant	GSU10	
Maria E. Castro-Munoz	Consultant	GSURR	Safeguards
Sergio Dell'Anna	Disaster Risk Management Specialist	GSU10	
Garry Charlier	Lead Agriculture Specialist	GFA04	TTL
Nina Chee	Regional Safeguards Adviser	OPSPF	Safeguards
Asli Gurkan	Senior Social Development Specialist	GSU04	Safeguards
Nicolas Kotschoubey	Environmental Specialist	GEN04	Safeguards
Lorena M. Cohan	Social Development Specialist	LCSSO - HIS	
Peter Cohen	Consultant	OPSPF	Safeguards
Anna Corsi	Sr Land Administration Special	GSULN	
Ellen Hamilton	Lead Urban Specialist	GSU11	
Carolina J. Cuba Hammond	Senior Program Assistant	GSU10	
Alessandra Heinemann	Junior Professional Associate	LCSSO - HIS	
Valerie Hickey	Practice Manager	GEN03	
Nko Etesin Mutangana	Resource Management Officer	BPSHC	
Alois Ndorere	Consultant	GGODR	
Navid Rahimi	Consultant	GEEX2	

Fily Sissoko	Practice Manager	GGO24	Financial Management
Prosper Nindorera	Procurement Specialist	GGO04	Procurement
Rose Caline Cadet	Procurement Specialist	GGO04	Procurement
Josue Akre	Financial Management Specialist	GGO26	Financial Management
Fabienne Mzorcka	Financial Management Specialist	GGO04	Financial Management
Lydie Madjou	Financial Management Specialist	GGO04	Financial Management
Emeline Bredy	Financial Management Specialist	GGO04	Financial Management
Zhong Tong	Agric. Economist	LCSAR - HIS	
Morag N. Van Praag	Senior Finance Officer	CTRDM - His	
Ricardo Alejandro Vargas Gomez	Consultant	ECREF	
Christina Ariani Wartenberg	Junior Professional Associate	LCSAR - HIS	
Yao Wottor	Senior Procurement Specialist	LCSPT - HIS	Procurement
Nyaneba E. Nkrumah	Sr Natural Resources Mgmt. Spec.	GEN	Safeguards

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$ (including travel and consultant costs)
Lending		
FY08	67.69	344,621
Total:	67.69	344,621
Supervision/ICR		
FY09	20.49	114,645
FY10	35.08	146,925
FY11	48.34	204,029
FY12	30.57	122,412
FY13	28.03	139,505
FY14	25.97	140,142
FY15	18.85	94,527
FY16	18.08	78,254
FY17	14.58	150,750
Total:	239.99	1,191,198

Annex 5 - Beneficiary Survey Results

The beneficiary assessment took place in November 2016 (the baseline was conducted in 2009) and consisted in a survey of 2,909 households or 14,545 beneficiaries out of a total of 400,000 beneficiaries (sample size of 4%). Overall, 90% of beneficiaries are satisfied with the results of the projects and confirm that implementation of subprojects has brought considerable positive economic, social and cultural changes in their community. 78.3% consider that CDD infrastructure subprojects are sustainable and 90.2% consider that reconstruction infrastructure subprojects are sustainable. The Project also enabled communities to gain a better understanding of the Government's system and the services it provides. Local consultations and the capacity building component of the Project were highlighted as the strong factors of PRODEPUR.

The beneficiary survey of infrastructure subprojects under the PRODEPUR covers its various phases: Original CDD, PRODEPUR Habitat, second phase of CDD under the second Additional Financing (FA2).

Objective of the beneficiary assessment. To evaluate beneficiaries' opinions, perceptions, and suggestions on their participation and involvement in PRODEPUR, and assess the benefits generated by the infrastructure subprojects.

MDODs. The subprojects were implemented by MDODs and carried out in Port-au-Prince, Cité Soleil, Gonaïves, Saint-Marc, Cap-Haïtien, Milot, Dondon, Hinche, and Mirebalais.

Nature of the subprojects. All infrastructure subprojects carried out met the priority needs identified by the Community-Based Organizations (CBOs) - gathered as Councils for Community Development Support (CADECs) or the Community-Driven Project Development Councils (COPRODEPs) -, and by the municipalities involved.

Methodological approach. The methodology used was a stratified random sampling method combining clarification meetings between all partners, qualitative and quantitative data collection, data analysis, and reports. For the collection of qualitative information, interviews and focus groups were carried out with COPRODEPs, CBOs, municipalities, local authorities, and relevant stakeholders. Quantitative data was collected from a sample of about 4% of the total population of the project - representing 14,545 beneficiaries - with a satisfaction scale ranging from 0 to 4.

Areas of intervention. Four geographical zones based on the types of projects carried out:

- **FA2.** Dondon, Milot, Hinche and Mirebalais;
- **Original CDD.** Simmonds-Pelé, Solino, Bel-Air, Delmas 2, and Gonaïves;
- **Original CDD - FA2.** Cap-Haïtien, Saint-Marc, Martissant, and Cité-Soleil ;
- **Original CDD – PRODEPUR Habitat.** Delmas 32 and Carrefour-Feuilles.

Survey results include: 1. Beneficiaries' involvement and participation; 2. Recipients' adherence to CBOs; 3. Project impacts on beneficiaries; 4. Improvement of living conditions, effectiveness and efficiency of the participatory approach; 5. Economic impact of infrastructure subprojects; and 6. Impact of PRODEPUR in general.

1. Beneficiaries' involvement and participation. The participatory approach was successfully adopted with strong involvement and participation of beneficiaries in all stages of subprojects.

Identification and selection of sub-project. More than 80% of FA2 respondents considered they were involved in this phase, over two-thirds for Original CDD, and over 90% for Original CDD-FA2.

Participation in the design and formulation of subprojects. Beneficiaries were less involved in this phase as it requires a specific expertise from MDODs and external consultants.

Implementation. More than 70% of interviewees believed their level of participation was quite significant, especially in Simmonds-Pelé.

Monitoring. Beneficiaries in Hinche and Mirebalais were relatively the most involved.

2. Recipients' adherence to CBOs

Changes in beneficiary participation in CBOs. It increased and varied according to the areas of implementation. In FA2, the participation rate was higher for 68% of the interviewees.

Changes in women and youth. Based on testimonies from focus groups and interviews:

- *Influence of women and youth CBOs.* Overtime, CBOs benefited from training sessions resulting in the emergence and viability of many women CBOs and leaders in the Center Department,
- *Increased proportion of women and youth CBOs that were already involved in PRODEP projects.* Many women CBOs initiated productive projects under the PRODEP and became increasingly involved in infrastructure subprojects under the PRODEPUR.
- *Larger proportions of emancipated women in the Center.* Women and youth are more emancipated in urban areas than rural areas. Given that PRODEPUR was implemented in the two main urban centers of the Center Department- Mirebalais and Hinche -, women and youth became more involved in social activities than in other municipalities like Milot or Dondon (North) which are more rural and where women are more engaged in households, marketing agricultural products, and raising small livestock,
- *Specific commitment of CECI's internal gender equality and youth promotion policy.* CECI was very committed to the implementation of an internal policy on gender equality and promotion of youth; resulting in positive impacts on the participation of women and youth in the Center Department.

3. Project impacts on beneficiaries.

Organizational capacity, teamwork, and ability to work together. More than 75% of respondents found positive changes; Simmonds-Pelé had the highest rates.

Confidence of the target populations. More than 70% of interviewees were very satisfied with the impact of the projects on: confidence in organizations, change in the understanding of living in peace, solidarity in the community, and optimism for the improvement of living conditions. Only 60% expressed confidence in central and local authorities.

Transparency and democratic issues in decision-making in COPERODEPs and CBOs. Overall, respondents assessed impacts differently depending on the area of implementation and the subproject in question. The perception of beneficiaries followed the following trends:

- *FA2.* Over 75% of beneficiaries felt high-level impacts; especially in Mirebalais and Milot,
- *Original CDD.* More than 70% thought they were relatively high, specifically in Simmonds-Pelé,

- *Original CDD-FA2.* Over 90% of interviewees believed FA2's impact exceeded that of those of the original CDD interventions.

Economic benefits of infrastructure subprojects. Overall, they were useful and sustainable:

- *FA2.* 90.1% found them useful to the community and 76.3% also sustainable,
- *Original CDD.* 92.1% felt the subprojects were useful and 88.5% agreed they also were sustainable,
- *Original CDD- PRODEPUR Habitat.* All respondents found Habitat more useful for the community than the original CDD interventions.

4. Improvement of living conditions, effectiveness, and efficiency of the participatory approach. Overall, PRODEPUR subprojects improved the life in beneficiary communities.

Health. Health infrastructures improved the living conditions of more than 80% of beneficiaries targeted by the Original CDD and FA2; members of Mirebalais CADEC testified to the quality of medical services offered at the health center of the Gascogne section, built and equipped through FA2.

Education. Community schools were built and rehabilitated under PRODEPUR, seeing an increase in the number of students enrolled. Most children were out-of-school, with high risk of delinquency, while others underwent hours of walking to attend school in other neighborhoods.

Housing and Sanitation. Housing infrastructure had a positive impact on more than 90% of residents. Sanitation services contributed to the improvement of the quality of life of more than 80% (FA2), 100% (Original CDD), and almost 90% (Original CDD- PRODEPUR Habitat).

Electrification. Robberies decreased for more than 80% of respondents in FA2 areas, 89.4% in original CDD, 95.2% in Original CDD-FA2, and 94% in Original CDD- PRODEPUR Habitat, and numerous small businesses emerged.

Drinking water subprojects installed on the private domain of the state. Three drinking water subprojects in Hinche were developed on private land where the donation process was not legally finalized. As a prerequisite, MDODs should be instructed to establish legal documents for the provision of land by the competent authorities for the benefit of the communities concerned.

Anchoring and synergy with public institutions. The process of setting up management committees for water kiosks was notable. However, three subprojects for the extension of the potable water network, which were completed to date, will not be put into operation until a contract is signed with the booth committees. The involvement of DINEPA in latrine construction is key to comply with the standards required in the context of Cholera contamination, for instance.

Analysis of the effectiveness and efficiency of the participatory approach. 80% of respondents of Original CDD and FA2 areas found them effective and 87% of interviewees believed that FA2 projects were more effective than Original CDD. As for efficiency, 73.2% considered the results were to the level of the means invested in Original CDD, 80.7% in FA2, 90% in Original CDD-FA2, and 90.5% in Original CDD- PRODEPUR Habitat.

5. Economic impact of infrastructure subprojects. In FA2, about 2% of respondents could set up small businesses based on income generated from short-term jobs created by PRODEPUR. Nearly 2% of interviewees could pay their children's school fees from activities set up at the end of the subprojects and 3.2% afforded healthcare for their family members through the subprojects.

6. Overall impact of PRODEPUR. According to beneficiaries, the implementation of subprojects brought considerable economic, social, environmental, and cultural changes within their communities. With the income generated during the activities of the sub-projects, beneficiaries set up professional activities. Their quality of life improved: access to basic social services, availability of latrines limiting open defecation practices in the context of the spread of the cholera epidemic. These subprojects also strengthened social cohesion by encouraging cultural activities, improved safety, reduced the number of robberies, while improving confidence in grassroots community groups and the government (central and local).

Gratitude of beneficiaries for a certain well-being. Although the needs to be filled are still vast, the surveyed families generally expressed great satisfaction with the welfare provided by the PRODEPUR and remained grateful to the government, MDODs, and the World Bank.

Annex 6 - Stakeholder Workshop Report and Results

N/A

Annex 7 - Summary of Recipient's ICR and/or Comments to the Draft ICR

Summary of Recipient's ICR

1. PRODEPUR is a US\$ 35 million-project funded by IDA, CBD and Japan as part of a governmental approach to reduce poverty and preserve social peace in specific geographical areas of the country. In the past, the disadvantaged and poor urban zones chosen for the project had not only been recent victims of, but also reasons for conflicts, as they presented demographic, socio-economic, institutional, and political risk factors. PRODEPUR aimed to increase the direct transfers of public resources to the CBOs in target areas with the aim of (i) improving access to basic economic and social infrastructure and promoting activities generating revenues by financing small-scale investments proposed, implemented, and managed by CBOs; (ii) strengthening the social cohesion and social capital of the beneficiary local communities so that they can organize themselves to better meet their own needs; (iii) improving local governance through greater citizen participation in transparent, democratic, and inclusive decision-making. Formally launched in January 2009, PRODEPUR is due to expire in December 31, 2016. This report (i) presents the project and its integration context; (ii) draws up an exhaustive review of its achievements with an emphasis on its external effects; (iii) provides a critical assessment of the different aspects of this evaluation; and (iv) outlines the main lessons learned to possibly extend this intervention strategy in underprivileged neighborhoods of other major cities in the country.

2. On one hand, the implementation of PRODEPUR has been based on an open, transparent, democratic, participatory, and inclusive process; stakeholder accountability and inter-stakeholder collaboration, on the other. Capacity building was the result of the participation of partners (CBO, COPRODEP). After an intensive campaign of information and various training sessions, CBOs were asked to identify their needs at the level of the intervention units (neighborhoods/neighborhood blocks, municipalities, and communal sections). The sub-projects were prioritized in a democratic and transparent manner, alongside local authorities. Subsequently, once the non-objection for priority sub-projects was granted from BMPAD, subproject funds were directly transferred to the CBOs managing and preparing an appropriate maintenance plan. CBOs contributed in kind; in most cases to over US\$ 2,000 per sub-project.

3. Different actors were involved in the implementation of the project: (i) The World Bank (IDA), which provided grants to the Government of Haiti, oversaw the management of funds; (ii) BMPAD implemented the project through its project coordination unit, responsible for the administration and management of the project (monitoring and evaluation of execution, technical and financial audits, and any other impact assessment of the project) directly managed Components 2 and 4 of the project; (iii) Delegated Project Managers (MDODs) were selected on the basis of their capacities and experience in the implementation of Component 1 and 3; (iv) COPRODEPs, neighborhood-level representatives (80% of the total membership minimum), as well as local government and civil society (20% of members), were the main entities responsible for targeting CBOs and allocating funds locally. They played a fundamental role in mobilizing communities and promoting their participation in local decisions; (v) CBOs, which were the foundation of all project operations and were also the legitimate representatives of the beneficiaries before the COPRODEPs, the State and any other organization; and (vi) Municipalities, which, in the urban context of implementation of the project, have been called upon to develop a very close collaboration with the CBOs in order to ensure the smooth functioning of the project, as well as the coordination of priority actions and the appropriation of the service of maintenance of public investments, in particular. Some town councils were direct beneficiaries of sub-projects (communal sub-projects). In such cases, a member representing the town hall would sit on the executive committee of COPRODEPs with the same powers as the elected members of the CBO.

4. Through the 476 prioritization meetings held, PRODEPUR financed a total of 736 subprojects divided into 360 infrastructure sub-projects, 247 social sub-projects, and 129 productive projects. Approximately 12% of priority sub-projects were initiated by women groups. These sub-projects were mainly productive initiatives, clinics, and vocational training centers. Through Component 3, PRODEPUR repaired 180 houses damaged during the 2010-earthquake in Martissant. The subprojects took place in 4 departments, 10 municipalities, 18 intervention units (districts/neighborhood blocks in disadvantaged urban areas, boroughs and communal sections), and represent investments of around US\$ 20,000 each. They were identified, implemented, and managed by the CBOs or the respective cities, if municipal.

5. 49% of PRODEPUR related to infrastructure and allowed investments of almost US\$ 15 million, with a community participation of about 10%. According to the MDODs, this investment also contributed to the creation of about 275,000 direct jobs through networks of merchants (retailers) and distributors formed by the productive sub-projects, by the temporary jobs created in the redevelopment of sub-sites projects, road sections, labor for sub-projects to supply water and electricity to municipalities, etc.

6. Apart from direct beneficiaries (CBO members), the subprojects contributed to the improvement of living conditions of more than one million people by increasing access to clean water and sanitation, improving access to electricity, education, and learning conditions with more appropriate classrooms and vocational training for young people, modernized and more functional health centers, recreational areas, etc. PRODEPUR has introduced a certain decentralization of public funds to the neediest communities in the disadvantaged urban areas affected.

7. Thanks to PRODEPUR, there is a better social cohesion in the affected communities: greater capacity to live and grow together, both as citizens and as local organizations.

8. PRODEPUR has made a significant contribution to local governance through the introduction and ownership of best practices, better participation, negotiation, dialogue, and accountability in communities and between communities, as well as the application of the principle of subsidiarity. This also fostered a better relationship between communities and local authorities. In some cases, authorities actively sought and secured additional funding for community subprojects.

9. The three objectives of PRODEPUR could not be approached or achieved without a constant and important effort to strengthen the capacities of individuals, and a structuring effort of the organizations - CBOs and COPRODEP combined. In fact, MDODs played a significant role. Approximately 811 training and adjunct sessions were held on approximately 60 themes and were given to 1,256 CBOs and 18 COPRODEPs. These sessions benefited a total of 16,816 people including 6,780 women (40%). Local capacity building was not an objective, but one of the results sought at PRODEPUR's level to maximize its impact on communities and ensure sustainability of results.

10. PRODEPUR has made it possible to strengthen the effective participation of women in decision-making bodies and their bargaining power in the home, but considerable efforts are still needed to consolidate and extend this result to a greater number of women.

11. In addition to subprojects, PRODEPUR has made a significant contribution to building social capital, characterized by community networking and the pooling of both financial and intellectual resources to collectively solve common problems. The grouping of the CBOs into a federation of

COPRODEPs, and then into CADECs, is a striking example. PRODEPUR has helped set up one of the largest civil society movements in the targeted neighborhoods.

12. The project was to measure some 20 indicators in its initial phase and then four major groups of indicators in its additional phase. Overall, most of them were met or exceeded. It should be noted that the main objectives of the initial phase of the project, namely strengthening social cohesion and social capital, improving local governance of beneficiary local communities, were largely achieved, but did not have any specific indicator to measure them in the framework of results.

13. Major constraints significantly affected the progress and management of PRODEPUR during these seven years of implementation. They were linked, among other things, to the design of the project, the rather turbulent sociopolitical environment in previous years, and the various natural disasters that hit the country. However, appropriate solutions were provided in due course and place by the various stakeholders.

14. Considerable lessons have been learned from the implementation of PRODEPUR. They are particularly linked to the participatory approach used, the prioritization and implementation of sub-projects, the capacity building of actors and the sustainability of sub-projects. Below are a few recommendations that should be considered if a new PRODEPUR were to take place:

CDD approach

A) The participatory approach was the basis for the success of the project and must remain the backbone of any new phase of PRODEPUR. It has contributed to social cohesion and awareness of the CBOs' ability to take charge of their own development. Support for local development, capacity building of CBOs and their structures must be present in all PRODEPUR activities. In addition, greater involvement of elected officials and local authorities in the project should be ensured. The participation of local authorities from the start can facilitate better management of the subprojects once they are completed;

B) Civil society must remain the main partner of PRODEPUR. The project must, however, be more proactive in seeking the necessary consensus and in clarifying the sharing of roles and responsibilities between local authorities that have the role of leading the local development process and the emerging structures of this civil society such as COPRODEPs or CADECs.

Prioritization of sub-projects

A) Be more flexible to better orient the choice of sub-projects based on development opportunities and the identification of promising sectors; existing communal investment plans or town-planning strategies;

B) Define and grant a quota to women's CBOs;

C) Promote the active participation of local elected representatives in sub-project prioritization activities;

D) Conduct an analysis of the ability of CBOs to bring their subprojects to the same level as the relevance of their sub-project ideas;

E) Prioritize productive sub-projects on several stages: pre-prioritization of 2 to 3 sub-projects by the forum and COPRODEPs, followed by a technical feasibility analysis, financial and economic, and a final prioritization of a sub-project after sharing this information in COPRODEPs assembly. This could lead to better informed choices and better assumptions in prioritization;

F) Conduct an analysis of the capacity of municipalities and deconcentrated ministries to take over infrastructure sub-projects.

Implementation of sub-projects

- A) Support and coordinate with existing programs to seek synergies and complementarities to avoid duplication and to facilitate better use of resources;
- B) Design projects with evolving objectives;
- C) Increase sub-projects of a communal scope, requiring greater financial resources;
- D) Support municipalities in the development of a master plan for neighborhoods that is aligned with communal planning plans, if any, to ensure consistency in area-level interventions;
- E) Establish post-completion project management committees by integrating notables from the area or inter-organizational committees for the management of sub-projects of collective interest;
- F) Increase the allocation to the Municipalities for the Community sub-projects, from US\$ 50 to 75,000, in particular the infrastructure projects to allow more sustainable actions to be taken;
- G) Increase the envelope from US\$ 20,000 to 50,000 for the community infrastructure sub-projects allocated to the CBOs or facilitate the pooling of several CBOs for major neighborhood actions;
- H) Provide an amount equivalent to 10% of the subprojects for maintenance and mitigation of environmental effects and ensure that the sub-project's prioritization and design in the long term is ensured.

Capacity building

- A) Capacity-building needs are important; sustainability of results of PRODEPUR intervention depends on it. Any future phase of PRODEPUR should consider the capacity building component as a key element of the project's success and not as an accompanying activity;
- B) Capacity-building should be better tailored to local conditions and community needs, and subject to an evaluation and monitoring procedure;
- C) BMPAD and MDODs have the duty, as development agents, to support the transformation of communities into more democratic and equitable societies. As such, gender equity must be an integral part of capacity-building while providing all the resources needed to increase the capacity of women in economic fields for better participation in decision-making;
- D) In addition to the technical issues to be strengthened, the most important challenges are (i) supporting CBOs in selecting more relevant and sustainable projects; (ii) strengthening monitoring and management support and ensuring a gradual transfer of management to CBOs; (iii) formalize/strengthen the roles of COPRODEPs and local authorities in post-project prioritization, follow-up, and support. Human and financial resources must therefore be available to carry out.

Sub-project management

- A) The preparation and selection of sub-projects by the CBOs and validated by the COPRODEPs should include a feasibility test, which the relevant CBO can only pass by showing its commitments and capacities to manage the structure in the operational phase. With the support of the MDOD and/or other partners;
- B) The continuity of services put in place by a sub-project must be a concern at the identification/prioritization stage;
- C) Strengthen the partnership relations between the COPRODEPs and the town halls with the ministries (at the departmental and national levels) not only in building social capital, but also for a more efficient administrative management of PRODEPUR;

Sustainability of sub-projects

- A) Subprojects of a productive type were primarily aimed at creating services that did not exist in the targeted communities. Considering the specificities of Haitian culture, it is recommended that PRODEPUR co-finance potential and interested local investors to sell and make available services, instead of leaving these types of projects only to CBOs. In this case, the productive sub-projects would be individually managed to ensure the sustainability of service to the community. In this case, the method of co-financing must be clearly defined;

B) Infrastructure subprojects must be executed with the approval and full participation of locally elected representatives who will take care of their maintenance as elected officials.

Report format

It is strongly recommended that, in a future project of the same type, MDODs submit all their reports, both for the activities and financial, in an identical format. The data from these reports should be automatically integrated into the system from the MDODs. This will make the final evaluation work easier. For better monitoring and evaluation of projects, it would be desirable for MDODs to submit reports covering both the technical and financial aspects.

Ownership of PRODEPUR by the Haitian State

It is of all importance that the Government of Haiti takes ownership of the project, which may include the reinforcement of activities for the benefit of local elected representatives who need it (mayors, city delegates, Administrative Council of the Communal Section - CASEC, Communal Section Assembly - ASEC, municipal assembly).

Summary of comments to the draft ICR provided by the GoH

The GoH recognized the positive outcomes of the project and agreed with the findings of the ICR, based on an earlier version of the ICR with an overall rating of “Satisfactory”. Comments received by the GoH clarify certain findings as detailed below:

Financial Management (FM): The GoH recognized the FM shortcomings experienced during project implementation and clarified that delays in disbursements were mostly due to strict internal control measures necessary to ensure compliance with Bank procedures. Additionally, the GoH noted that the lengthy processing of certain No-Objection requests by the Bank contributed to some delays in disbursements.

Performance of MDODs: The GoH agreed the MDODs’ performance to be satisfactory despite working in challenging areas and under harsh conditions. However, the GoH notes that BMPAD’s project management suffered from the systematic delays in the submission of technical and financial reports from MDODs. These delays impacted M&E but also exacerbated delays in BMPAD’s financial reporting. BMPAD was not able to use its M&E system, the MIS, to its full potential to monitor project implementation on the ground as MDODs did not submit up-to-date and regular M&E information to the system. BMPAD struggled to strictly enforce compliance to M&E requirements by MDODs and requests for Bank support in this regard did not result in concrete solutions.

Full comments to the draft ICR provided by the GoH

Commentaires sur les rapports de bilan de fin d'exécution et de résultats des projets PRODEPUR et PREKAD

Le Gouvernement Haïtien accepte l'évaluation de la Banque Mondiale ainsi que la note globale pour l'exécution des projets PREKAD et PRODEPUR jugée « *satisfaisante* ». Cependant, il demeure certains points qui méritent d'être souligner ; ainsi nous vous prions de bien vouloir trouver ci joints nos commentaires sur ces deux (2) projets :

Evaluation de la gestion financière

La gestion financière des deux projets a été jugée moyennement insatisfaisante par la banque pour diverses causes telles que le retard accusé dans les décaissements et dans la soumission des rapports financiers. L'agence d'exécution est consciente de la lenteur dans le décaissement de certains fonds mais tient toutefois à noter que cela est en partie dû à son service de contrôle interne qui se doit d'être stricte en vue de respecter les exigences de la Banque. De plus, il est important de souligner que les délais de traitement de certains dossiers soumis pour Non-Objection à la Banque a aussi contribué au retard de certains décaissements.

Au niveau du PREKAD, il est fait mention que « [...] *certaines MDODs avaient dépassé leur budget* ». Le BMPAD a toujours tenu à ce que toutes les dépenses des MDOD se fassent à l'intérieur du budget contractuel. Des réaménagements budgétaires ont toutefois été effectués à l'intérieur du budget mais aucun MDODs n'a dépassé l'enveloppe qui lui était allouée.

Evaluation de la performance des MDOD

Comme indiqué dans les (2) évaluations, la plupart des MDODs ont rempli leur contrat avec des résultats satisfaisants tout en évoluant dans des conditions extrêmement difficiles, mais nous pensons qu'il est important de faire mention de certains soucis que l'agence d'exécution a dû confronter avec les MDODs au cours de la mise en œuvre des projets.

Le BMPAD a dû faire face à des retards systématiques dans la soumission des rapports techniques et financiers des MDODs. Ces retards ont rendu particulièrement difficiles le travail de suivi et d'évaluation ; mais aussi ont accentué les retards dans la soumission des rapports financiers intermédiaires (RSF), déjà compliquée de par le chevauchement entre la date de soumission des rapports des MDODs et celle des rapports du BMPAD.

Le BMPAD déplore l'échec de la mise en œuvre efficace du Système d'Information et de Gestion (MIS) conçu pour les deux (2) projets. En effet, le MIS aurait dû être un élément fondamental dans la structure de gestion et de suivi des projets, et malgré les investissements (ressources humaines et financières) consentis pour sa conception et sa mise en service, l'outil n'a jamais pu remplir adéquatement son rôle de banque de données. Ce système était conçu sur le principe que le BMPAD devait s'appuyer sur les MDODs pour saisir les entrées dans le système avec pour but d'avoir en temps réel l'évolution des réalisations sur les deux (2) projets. Toutefois, la réalité a été tout autre ; la mise à jour des informations sur le système n'était pas effectuée de manière systématique par les

MDODs au point ou souvent les informations soumis dans leurs rapports trimestriels était plus à jour que ceux disponibles dans le système. Malgré plusieurs interventions du BMPAD, les MDODs n'ont jamais pu redresser la barque.

Ces situations viennent du fait que l'agence d'exécution ne disposait d'aucun moyen de coercition afin de contraindre les MDODs à soumettre les rapports (techniques et financiers) et effectuer la mise à jour des données sur le MIS dans les délais impartis. Le BMPAD a mené plusieurs interventions auprès de la Banque afin d'inclure dans les conventions de financement avec les MDODs des clauses permettant à l'agence d'exécution d'appliquer des sanctions en cas de non-respect de leurs responsabilités contractuelles. Ces démarches n'ont malheureusement jamais abouti.

Il faut aussi souligner que c'est grâce à l'insistance du BMPAD afin de maximiser les investissements du projet sur les activités de terrain que les MDODs ont acceptés sur le PREKAD de réduire leurs frais généraux pour réorienter ces ressources vers les sous-projets au bénéfice des populations.

PREKAD – Les Capacités institutionnelles dans le secteur du logement

Selon le rapport, « *L'EPPLS au sein du ministère des affaires sociales et du travail (MAST) a développé, en collaboration avec l'UCLBP et le BMPAD, le Manuel opérationnel du RSCG 2014 qui fournit un cadre logistique et éthique autour de la subvention de location bénéficiant les personnes déplacées vivant dans des camps pour qu'elles puissent recouvrer leur dignité en ayant accès à des logements sûrs.* »

Nous tenons à clarifier que le BMPAD, l'UCLBP et l'EPPLS ont travaillé sur un « Guide de Procédures » pour l'attribution des nouveaux logements, décents et surs, construits dans le cadre des deux (2) projets. Ce guide fixait la marche à suivre pour que le processus d'attribution se fasse dans la plus parfaite transparence.

Annex 8 - Comments of Cofinanciers and Other Partners/Stakeholders

N/A

Annex 9 - List of Supporting Documents

PRODEPUR PAD 2008

Project Papers of 2 Additional Financings 2010, 2014

Restructuring papers 2011, 2016, 2014

ISR (18)

Aide-Memoires

PRODEPUR HABITAT/PREKAD Government ICR (in French)

PRODEPUR-CDD ICR (in French)

Final technical Audit - CDD 2016

Final technical Audit – PRODEPUR HABITAT/PREKAD 2016

Social Assessment 2016

Beneficiary Survey 2016

Subprojects database provided by BMPAD

Reports from MDODs

Annex 10 - Detailed Context at Appraisal

1. **At the time of appraisal in 2008, Haiti was emerging from a long period of political, economic, and social strife.** Devastated by decades of violence, political instability⁵¹, and little or negative gross domestic product (GDP) growth, Haiti was swept by a wave of riots and political conflict in early 2004, after armed opposition forces removed President Aristide from power, resulting in thousands of deaths and a destruction of public and private property. In this context of fragility and economic downturn⁵², the country experienced high levels of crime and gang-related violence. Poverty levels were also significant, as 78 percent of the population was considered poor (living on less than US\$2 a day) and more than half (54 percent) was living in extreme poverty (on less than US\$1 a day). However, after 2004, the country made significant progress in stabilizing its security situation and economy, and restoring the population's faith in political institutions. Presidential, parliamentary and municipal elections were held successfully in 2006, and power was transferred smoothly from a transitional government to an elected one. After 2006, joint actions between the Haitian Government and United Nations Stabilization Mission (MINUSTAH) forces resulted in the arrest or removal of many gang leaders, resulting in a significant drop in levels of crime and violence, and a relative return to "normalcy" in disadvantaged urban areas of the capital, such as Cité-Soleil and Bel-Air. For fiscal year 2006, the economy improved, with a GDP growth of 2.1 percent and a reduction in inflation from 40 percent in 2003 to 8 percent.

2. **Security improved considerably in Haiti in 2007 but crime and violence in disadvantaged urban areas fueled by high demographic pressure, continued to pose challenges to the country's development as they undermined the political process and imposed costs on economic activity.** At the time of appraisal, living conditions and violence levels in poor urban areas in Haiti were still among the worst in the Americas. As more people moved away from rural areas, poor urban neighborhoods created a conducive environment for young migrants to engage in criminal and violent activities. In particular, the neighborhoods of Cité-Soleil and Bel-Air in Port-au-Prince⁵³ highlighted the key challenges faced by disadvantaged urban areas in Haiti at the time: high demographic pressure without accompanied access to employment and basic infrastructure and services⁵⁴. In these vulnerable neighborhoods, the politicized armed gangs⁵⁵, particularly those of the capital, Port-au-Prince, used young urban migrants as a base for kidnapping and other criminal activities across the city. Additionally, criminal activity was prevalent near the industrial areas of Port-au-Prince, forcing businesses to absorb high security costs and periodically shut down or move their operations⁵⁶. Persistent and growing urban crime has also hampered investment and growth⁵⁷.

⁵¹ Haiti has seen a succession of 13 heads of state in 20 years since the fall of the Duvalier regime in 1986.

⁵² The country had defaulted on much of its foreign debt and from 2003 to 2004 the economy contracted by 3.5 percent

⁵³ The sources of violence were highly concentrated in Port-au-Prince's major disadvantaged urban areas of Cité-Soleil, Bel-Air, La Saline, and others (although gangs operate out of these areas and across the city).

⁵⁴ These neighborhoods witnessed: (i) high unemployment, acute poverty, and malnutrition, (ii) insufficient access to safe water and sanitation, including solid waste collection, and (iii) a lack law enforcement.

⁵⁵ Following the end of Duvalier's authoritarian regime in 1986, some *Organisations Populaires* (OP) (neighborhood community groups in poor urban areas) that had once served to mobilize communities to demand services such as potable water and electricity came to serve as political tools for the opposition in exchange for jobs, projects, or impunity for criminal activities. The OPs increasingly exercised control over neighborhoods from which the state was generally absent, by providing services and security. The subsequent political deterioration in the 1990s transformed some parts of this movement into violent government enforcers and criminal armed groups. World Bank. 2007. "Social Resilience and State Fragility in Haiti."

⁵⁶ "Guns, Books, or Doctors? Conflict and Public Spending in Haiti" World Bank, 2016

⁵⁷ SCD p. 46

3. **Therefore, cementing a lasting peace not only implied direct efforts to strengthen law enforcement and combat crime, but also to address the socioeconomic drivers of gang membership and violence: lack of economic opportunities and access to basic services.** The reform and strengthening of the Haitian National Police, had been one of the government's top priorities⁵⁸. Another key element of the Government's drive to restore security in the country's poor urban areas also included the *Disarmament, Demobilization, and Reintegration (DDR) Program*, implemented through the National Commission for Disarmament, Demobilization, and Reintegration (CNDDR). In addition, the Government would need to address crime and security concerns in the form of job creation, and improved services and living conditions in poor urban areas. These measures would help establish a positive presence of the State as a provider of public goods and promote a stronger and more durable peace. A Bank study conducted in 2016 suggests that an increase in welfare expenditures would be associated in Haiti with lower risks of conflict⁵⁹, which confirms the relevance of the Government's approach at the time.

4. **However, the State's capacity to deliver basic public services to the population remained significantly weak at the time and despite having developed a decentralization framework, Haiti suffered from limited municipal government involvement.** Traditionally, Haiti's insufficient budget and unstable donor's assistance flows have resulted in inadequate spending on basic social services and infrastructure. In 2006, Government revenues were only 10 percent of GDP, among the lowest in the world and spending for priority sectors (agriculture, education, health, infrastructure, and justice and security) accounted for about 4 percent of GDP for that year⁶⁰. Additionally, day-to-day operation of the decentralized local administrations were severely hampered by the lack of human and financial resources. Municipal budget allocations were highly insufficient to respond to citizen's needs due to inadequate levels of taxes collected by communes and the limited operational capacity of the decentralization fund established in the 1996⁶¹. Finally, municipalities often operated in a context of bitter internal struggle between political parties, which competed to enlist the support of local constituencies, thus creating a polarized environment uncondusive to collaborative management and accountability to citizens.

5. **In light of the State's limited public spending capacity towards the social sector, the central government chose to empower communities with decision-making authority and control of financial resources for job creation initiatives and basic services investments.** Community-Driven Development (CDD) projects and approaches would contribute to (i) delivering basic services and responding to infrastructure needs when public provision of services was lacking; (ii) promote social cohesion and build on the resilience of communities by fostering collective action, joint communal responsibility, and transparent access to information and decision-making; and (iii) serving as an entry point for strengthening of local government to work more closely with their constituencies.

⁵⁸ The HNP Strategic Plan presented and approved in March 2005, Haitian National Police Reform Plan, 2006.

⁵⁹ Idem

⁶⁰ Spending for priority sectors (agriculture, education, health, infrastructure, and justice and security) accounted for 4.2 percent of FY2005/06 GDP. Particularly, budget allocation for the education sector was about 2.5 percent of GDP in FY2006/07, the lowest in the LAC region (average of 5 percent of GDP). For the same year, allocations to the health sector were than 2.7 percent, below the regional average of 3.3 percent of GDP. Haiti Public Expenditure Management and Financial Accountability Review, World Bank 2008.

⁶¹ The *Fonds de Gestion et de Développement des Collectivités Territoriales* (FGDCT) was created by decree for the operation and development of municipalities.

Box A10.1: Cité-Soleil

Cité-Soleil, which comprises approximately 40 separate neighborhoods, was considered the largest disadvantaged urban area in the Port-au-Prince metropolitan area, with an estimated 350,000 inhabitants on 250 hectares, representing almost 20 percent of the total metropolitan area. In 2002, After successive waves of population growth, the *commune* of Cité-Soleil was created, which includes a disadvantaged urban area (the targeted project area) and two rural *sections communales*. Much of the insecurity in the capital area, including the violent disruption of public order and the social problems generated by crime, is deeply rooted in the disadvantaged urban area of Cité-Soleil. It is well documented that the armed gangs that have operated in Port-au-Prince in previous years have made Cité-Soleil their primary base.

Cite-Soleil was created in 1958 to provide housing for 52 families, who were relocated to make way for the construction of the city's international sea port. Formerly known as Cite Simone, it was renamed Cite-Soleil by its residents after the fall of the Duvalier regime in 1986. The neighborhoods of Cite-Soleil are located along the coast of the Bay of Port-au-Prince in the low-lying areas at the mouth of the Delmas River, and in close proximity to existing important infrastructure (national roads, industrial parks, power generation plant, sea port and airport.). This implies better access to services and transport than other slums. Cite Soleil's proximity to the Delmas River, however, brings with it mud holes and stagnant and polluted water, especially after rain showers, creating an unhealthy environment and a high risk of flooding in the case of heavy rains.

Poverty was rampant in Cité-Soleil, with average monthly income at approximately US\$56. Almost three-quarters of households in Cité-Soleil were engaged in some form of economic activity: half have a formal business and half are street vendors. Fifty-five percent of women compared to 45 percent of men were engaged in economic activities. The largest group engaged in economic activity was concentrated between the ages of 30 and 34. During regular working hours, approximately 20 percent of the population was inactive (neither works nor studies).

Health: Cité-Soleil had one hospital and one health center, which served approximately 300,000 inhabitants, including people who would come from outside Port-au-Prince. Diseases such as diarrhea, typhoid, and pneumonia were common.

Education: Almost three-quarters of the population had attended primary school; approximately 20 percent had reached the first year of high school, approximately 5 percent the second year, and less than 1 percent had reached third-level education.

Basic Infrastructure:

- **Housing:** Almost three-quarters of the homes were built from cement blocks, approximately 80 percent have concrete floors, and the vast majority have metal sheet roofs.
- **Drainage:** A proper drainage system does not exist. Water disposal flows along the streets to open canals and ravines, which are typically already full of garbage, thereby increasing unsanitary conditions. This situation is particularly serious at Soleil 17 and Bélécou.
- **Solid waste disposal:** Almost all households report throwing garbage into canals or simply on the street. Garbage collection covers approximately 10 percent of households, of which half receive the service at least once a week.

- Water: Approximately 5 percent of households have tap water within their homes, and 15 percent use a public tap near their homes. Almost 90 percent of households pay for drinking water: approximately 45 percent from a public source, 25 percent from water containers, and 10 percent from a cistern-truck.
- Approximately 25 percent of the water is treated. One-quarter of households have daily access, one-third have access several times a week, and approximately 20 percent have access once a week. Almost 90 percent of residents surveyed felt it was necessary to pay for water.
- Public markets: There are four public markets within Cité-Soleil. Approximately 40 percent have a market in their own community and almost three-quarters of the residents have one within walking distance.
- Public spaces: Approximately 85 percent of households have a public space within their immediate communities and approximately 60 percent have access to a public space within walking distance.

Presence of Community-Based Organizations (CBOs): The majority of CBOs that exist in Cité-Soleil seek to improve the socioeconomic conditions of the community and help reduce violence. Approximately 20 percent of residents surveyed were members of a CBO and almost three-quarters of residents surveyed responded that they would be willing to join one.

Source : PAD 2008 “Rapport Final du Diagnostic Socio-Economique et Environnemental du Bel-Air et de Cité-Soleil,” Group Croissance, January 2008.

MAP OF HAITI

