

**PROJECT INFORMATION DOCUMENT (PID)  
ADDITIONAL FINANCING**

Report No.: PIDA4973

<b>Project Name</b>	Haiti - Urban Community Driven Development Project - AF (P149116)
<b>Parent Project Name</b>	Haiti - Urban Community Driven Development Project / PRODEPUR (P106699)
<b>Region</b>	LATIN AMERICA AND CARIBBEAN
<b>Country</b>	Haiti
<b>Sector(s)</b>	General water, sanitation and flood protection sector (40%), Other social services (25%), General public administration sector (15%) , Urban Transport (10%), General education sector (10%)
<b>Theme(s)</b>	Participation and civic engagement (40%), Urban services and housing for the poor (40%), City-wide Infrastructure and Service Delivery (20%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P149116
<b>Parent Project ID</b>	P106699
<b>Borrower(s)</b>	Ministry of Economy and Finance, MEF
<b>Implementing Agency</b>	BMPAD
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	28-Apr-2014
<b>Date PID Approved/Disclosed</b>	07-May-2014
<b>Estimated Date of Appraisal Completion</b>	14-Apr-2014
<b>Estimated Date of Board Approval</b>	19-Jun-2014
<b>Decision</b>	

## I. Project Context

### Country Context

Reconstructing neighborhoods and increasing income generating opportunities for the poor continues to be a priority for Haiti as it continues to rebuild after the devastating earthquake of 2010. In addition to causing over 200,000 deaths, the earthquake pushed 60 percent of citizens into camps and 20 percent of the population suffered loss of income. The earthquake also resulted in damages and losses of US\$7.9 billion (120% of GDP) and reconstruction needs estimated at US \$11.3 billion. Even before the earthquake, conditions in the disadvantaged urban areas were amongst the most difficult in the Americas. In a context of a relatively recent transition to democracy and continued fragility, improving and restoring basic infrastructure and services and creating economic opportunities for disadvantaged neighborhoods is crucial.

Poverty continues to be pervasive, with nearly 40 percent of 10 million people living on less than US\$1.60 per day, and approximately 55 percent living on less than US\$2.30 per day. Unemployment remains high and employment mostly informal (only 19 percent of the adult population receives a regular wage and 79 percent are self-employed, with women twice as likely to be unemployed at 36 percent as opposed to men at 19 percent). Haiti has the unenviable label of being the poorest country in the Americas with low GDP per capita (US\$771 in 2012) and is lagging in social indicators (ranking 161 out of 186 in the 2013 Human Development Index).

Nevertheless, four years after the earthquake, Haiti's overall economy is improving and the government is beginning to implement its vision for turning Haiti into an emerging country by 2030. President Michel Martelly and his administration have been working with Haiti's partners to deliver services for its people, attract investment, and decentralize the economy. To build human capital, the government has started a national tuition waiver and school feeding program and launched several safety net programs. Security indicators are improving with downward trends in homicides, kidnappings, and incidents of violent civil unrest in 2013 compared with 2012. Growth is estimated to have reached 4 percent in Haiti Fiscal Year (HFY) 13, up from 2.8 percent observed in HFY12, mainly due to a pick-up in agricultural production, construction and the industrial sector, in particular the textile and garment industry. The government has set territorial, economic, social, and institutional rebuilding as the pillars for Haiti's development in the National Strategic Development Plan (PSDH).

Contribution to Poverty Reduction and Shared Prosperity. The Project aims to build better living conditions, services and job opportunities in disadvantaged urban areas in Haiti. Over half of the population in the eight communes targeted in the Proposed AF lives in extreme poverty. Cité-Soleil, in the West Department, is an example of such an area, which highlights the key challenges faced by Haiti today: high demographic pressure on metropolitan areas, without accompanying access to basic infrastructure and services, such as health and education.

### **Sectoral and institutional Context**

The emergency phase of reconstruction of Haiti following the earthquake is well advanced. At this stage, there is a need both to fully complete emergency work and lay the basis for long-term upgrading and expansion of basic community services, including habitat conditions, in impoverished urban areas. Indeed, urban infrastructure remains extremely deficient. The proposed AF will continue to support the CDD initiatives that have proven very effective to respond to current needs. The AF would also lay the groundwork for second generation of Community-Driven Development (CDD) interventions. Analytical work regarding the participatory process at the local level will be completed, recognizing that future interventions will need to be embedded squarely within the decentralization framework. In this regard, the proposed AF activities would represent an effort to move out of ad hoc project structures and lay the basis for mainstreaming these structures at municipal and local level. The proposed AF would support increased municipal involvement with communities at the grassroots level to foster cooperation, joint planning and development synergies. This will be coupled with a move to further promote community participation through more adapted ways of providing community services, e.g., support for "self-construction" and expansion of dwellings by home owners instead of mere building or rebuilding of habitat. Given its involvement in early and current CDD operations in Haiti, and its international

experience with CDD, the World Bank has a comparative advantage in supporting the above-described efforts.

## II. Proposed Development Objectives

### A. Current Project Development Objectives – Parent

To improve access to, and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvements needed as a result of the emergency; and (ii) income-generating opportunities for residents of targeted disadvantaged urban areas.

### B. Proposed Project Development Objectives – Additional Financing (AF)

## III. Project Description

### Component Name

Component 1 - Community Sub-project Funding, Management, and Support

### Comments (optional)

### Component Name

Component 2 - Capacity Building and Technical Assistance

### Comments (optional)

### Component Name

Component 3 - Project Administration, Supervision, and Monitoring and Evaluation

### Comments (optional)

### Component Name

Component 4 - Housing Repair and Reconstruction

### Comments (optional)

## IV. Financing (in USD Million)

Total Project Cost:	6.00	Total Bank Financing:	6.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
IDA Grant			6.00
Total			6.00

## V. Implementation

The last two ISRs prior to the November 2013 rated both project Implementation Progress and achievement of Development Objective as Moderately Satisfactory. The Implementation Progress rating was downgraded to Moderately Unsatisfactory in November 2013, due to noted weaknesses

in financial management and reporting, monitoring and evaluation and communication. Action plans to mitigate these issues were prepared in December 2013 and the Task Team has been closely monitoring their implementation. All agreed milestones of these action plans were met in a timely manner, and as a result, all ratings were upgraded to Moderately Satisfactory by the end of January 2014. Additionally, the Project has since then been restructured, approved on March 24, 2014, to further address implementation challenges. The Project is also fully compliant with all conditions and legal covenants.

PRODEPUR is on track to achieve its PDO. CDD activities under the Parent Project were complete as of September 30, 2013 with a disbursement of USD 14.7 million (99.63%). All 14 COPRODEPs have been established in targeted areas of Port-au-Prince, Cap Haitien, Gonaives and Saint Marc. The initial target was 467 sub-projects, however due to efficiencies the project was able to finance a total of 493 sub-projects. Most of the indicator targets, including the outcome indicators have been met. Housing and community reconstruction and recovery activities (Component 4) are on track. About US\$17.1 million, (56 percent of the total AF grant) has been disbursed as of March 20, 2014. Debris removal is fully complete and housing repairs and (re)construction, and community infrastructure repair and upgrading are well underway. The implementing agency, the Bureau de Monétisation des Programmes d'Aide au Développement (BMPAD), in early in 2013, undertook a deep internal restructuring establishing a new staffing plan to further strengthen its implementation capacity with a focus on its weaker areas, and hired additional human resources and skills needed to accommodate its additional workload.

The project continues to represent a successful CDD model in the context of Haiti. It has validated the effectiveness of direct transfer of resources to local communities for delivering priority services, enhancing governance and transparency, and building social capital as a solution to community involvement and conflict resolution in impoverished urban areas.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>x</b>	
Natural Habitats OP/BP 4.04	<b>x</b>	
Forests OP/BP 4.36	<b>x</b>	
Pest Management OP 4.09		<b>x</b>
Physical Cultural Resources OP/BP 4.11	<b>x</b>	
Indigenous Peoples OP/BP 4.10		<b>x</b>
Involuntary Resettlement OP/BP 4.12	<b>x</b>	
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50		<b>x</b>
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

**Comments (optional)**

## VII. Contact point

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