

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.:73789

(The report # is automatically generated by IDU and should not be changed)

Project Name	STRENGTHENING AGRICULTURE PUBLIC SERVICES II
Region	LCR
Country	Republic of Haiti
Sector	ARD
Lending Instrument	Grant
Project ID	P126744
<i>{If Add. Fin.}</i> Parent Project ID	n/a
Borrower(s)	<i>Ministry of Finance</i>
Implementing Agency	<i>Ministry of Agriculture, Natural Resources and Rural Development (MARNDR)</i>
Environmental Screening Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	<i>Oct. 4, 2010</i>
Estimated Date of Appraisal Completion	<i>Feb. 23, 2011</i>
Estimated Date of Board Approval	<i>April 27, 2011</i>
Concept Review Decision	Following the review of the concept, the decision was taken to proceed with the preparation of the operation.

I. Introduction and Context

A. Country Context

1. With a GDP per capita estimated at 648 USD, Haiti is the poorest country of the Americas and the Caribbean. The state of the Haitian economy in the last two decades has been particularly affected not only by a number of sequential political crises, but also by a series of devastating natural disasters. Poverty is a phenomenon of great concern in the country. It is estimated that over 5 million individuals (55 percent of the population) live in conditions of poverty in Haiti. The impact of poverty and of extreme poverty is far more important in rural areas, where 88 percent of individuals live below the poverty level, basic services are practically nonexistent, and agriculture represents the principal form of subsistence.
2. Agricultural programs in the past decades have not been able to provide necessary resources and support for a sustainable increase of productivity in the agricultural sector in a context of agriculture trade liberalization. Unfortunately, this has been exacerbated by the fact that the country, and in particular the agriculture sector, has suffered three major exogenous systemic shocks in recent years: (i) the sharp increase in international food, fuel and fertilizer prices;

(ii) the loss of farmers' assets and agricultural output due to the recent hurricanes and tropical storms in 2008; and (iii) the earthquake of January 12th, 2010, which devastated the capital, caused an exodus of around 600,000 people to rural areas, and significantly damaged urban and sub-urban infrastructure.

Sectoral and Institutional Context

3. Agriculture plays a dominant role in the Haitian economy, contributing over 25 percent of GDP, accounting for around 50 percent of overall employment, 66 percent of employment in rural areas, and 75 percent of employment in low income households. Although the overall importance of the agriculture sector has been declining due to loss in productivity induced by depleted natural resources, lacking technical capacity, political instability, natural disasters, and insufficient support policies in the face of relative prices fluctuations (agriculture income is now equivalent to about 40 percent of rural income); agriculture is a potential source of growth in the poorest sections of the population in Haiti. There are over 1 million farmers in Haiti, who in large part live in poverty and experience various levels of food insecurity, exacerbated by insufficient monetary revenues, availability of subsistence food, and access to risk mitigation services.
4. Haiti's geography is mountainous (80 percent of the surface) and does not lend itself well to production of field crops (28 percent is arable land), with the exception of some of the large irrigated valleys. Yet there is an increasing demand for food products which could be sourced locally. However, quality and productivity of local farming are constrained by the dominance of small-scale subsistence farms (average farm size is 0.5 Ha), weak or non-existent extension services, insufficiently developed food supply chains, limited access to rural credit markets, a weak animal and plant national system, and inability to meet increasingly important food safety standards. For example, the pig production sub-sector collapsed during the 1980s due to the spread of Classical Swine Fever (creating economic losses of approximately US\$8million; and in 2008, mango exports (the top export crop) to the US were stopped for 6 months due to the detection of fruit fly, producing losses of US\$4 million. Furthermore, the natural and agricultural ecosystems and the livelihoods of inhabitants are under threat from several sources, including deforestation, soil erosion, increased intensity and impact of flooding, and unregulated livestock grazing (85 percent of the country's watersheds are deemed degraded). Therefore, improvements in the management of natural resources will be required for the sustainable development of agriculture, as well as the appropriate development of local infrastructure and services to serve rural and urban communities.
5. The key aspects of the weaknesses surrounding public institutions supporting the agriculture sector are considered to be: (i) the accelerated degradation of natural resources (soil, water, forests) with the consequence of a progressive decrease of the productive capacity of lands; (ii) a weak/lacking land tenure security; (iii) limited access to inputs and agricultural materials; (iv) a rural finance system, which is hardly developed and not really adapted to the needs of the operators; (v) the deficiency of agricultural research and technical training; (vi) the deficiency of agricultural and rural infrastructure, including irrigation and drainage infrastructure; secondary access roads; storage and conservation facilities; and transformation structures; (vii) a low level of investment in livestock and fishery; (viii) a deficiency in food

availability (quantitative and qualitative); (ix) negative impact of certain endemic and epidemic illnesses; and (x) an adverse budgetary policy with few public resources allocated to the agricultural sector.

6. The Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR) is the public entity in charge of establishing agriculture sector policy, directing and coordinating public investments in the sector, coordinating the interventions of the different involved actors (including NGOs), and ensuring a minimum of basic agriculture public services especially in terms of agriculture research and extension, sanitary protection, training, and information in the sector. However, some of the institutional challenges faced by MARNDR in the context of agriculture research and extension are: (i) a lack of a centralized agriculture research and extension planning functions; and (ii) the difficulty in coordinating a myriad of available but insufficient free agriculture extension and training services offered by NGOs working in rural areas.
7. The Bank has been directly involved in the agriculture sector dialogue with the GOH before and after the January 2010 earthquake, and it has been providing technical assistance and investments to agriculture for strengthening agriculture public services. The proposed project seeks to build on key findings and policy directions regarding agriculture extension services provided by: (i) the 2005 Agriculture and Rural ESW; (ii) the 2006 analysis of rural supply chains undertaken by the MARNDR and financed by the Inter American Development Bank (IADB); and (iii) the National Agriculture Investment Plan 2011-2016 (NAIP). The table below presents the main findings of the analytical sector work undertaken by the Bank which still provides the basis for today's agriculture extension policy.

Key relevant findings of Haiti's Agriculture and Rural Development ESW (2005)

Finding	Proposed action/strategy
The institutional, policy and risk context affects how household assets are managed and determines the extent to which successful livelihood strategies can be undertaken. Formal rural institutions in Haiti are very weak. The decentralized structures of government have not been fully implemented in practice.	To improve MARNDR's capacity to provide local public agriculture services, while strengthening its role to coordinate other institutions (NGOs, donors) supporting the agriculture sector.
Support to Regional Agriculture R&D Centers : building on past successes with decentralized agricultural research, regional centers should be quickly rehabilitated and staffed to provide support that could revive agriculture production where feasible and start providing selected "bundles" of additional support.	To support Regional Agriculture R&D Centers in the pilot areas, providing agriculture extension services and farmer incentives for adopting technology packages.
Increased Funding in the Rural Space : A key concern in implementing specific interventions is the provision of relatively sustainable sources of funding to the rural sector.	To improve the absorptive capacity of MARNDR, providing increased and stable public resources for the development of the agriculture sector.

8. The proposed project draws on the extensive experience accumulated by the Bank in the areas of agriculture extension, and in particular as they relate to the following projects in execution in Haiti: (i) the Avian and Human Influenza Project - PRECONIA (US\$1.5 million IDA Grant) executed under the oversight of the MARNDR; (ii) the Strengthening of Agriculture Public Services I –RESEPAG I Project (US\$5 million IDA Grant); and (iii) the successful Bank-funded CDD (PRODEP) project (US\$48 million IDA funded) executed under the oversight of the Ministry of Planning and External Cooperation (MPCE-PL-480). Furthermore, the project is an integral part of the Government's and Development Partner's effort to reform and modernize the agriculture sector of Haiti, as stated and agreed upon in the NAIP. With these recent modest improvements in the public sector, the policy environment and donor resource levels and coordination in the agriculture sector, this provides favorable conditions for institutional reform in the agriculture sector. The proposed operation would

seek to strengthen MARNDR's institutional structures around agriculture extension services, improving the coordination with private sector and NGOs, and channeling of donor support programs.

Relationship to CAS

9. The proposed Project is fully consistent with The World Bank Group's Country Assistance Strategy (CAS) FY 2009-2012 (Report # 48284-HT) discussed by the Executive Directors on June 2, 2009. The CAS places agriculture as a key sector, and reflects the priorities laid forth in the Vectors of Growth pillar of the Poverty Reduction National Strategy Document (DSNCRP). This pillar seeks to enhance the agriculture sector contribution to economic growth and local development, through more effective agriculture services. The proposed project is in line with the CAS' objectives and has been agreed upon as part of the National Agriculture Investment Plan (NAIP) prepared by the Haitian Government and donors after the January 2010 earthquake.
10. The Haitian Government, as well as the private sector, donors, and civil society have agreed over the past months since the earthquake on the importance of providing increasing medium and long term support to the agriculture sector of Haiti to address the structural problems and weaknesses surrounding public institutions supporting the agriculture sector (see Paragraph 5 above). The vision for the development of the agriculture sector of Haiti is stated in the Agriculture Policy Document for 2010-2025. This vision is to build-up and reinforce an agriculture sector in the long term that is: (i) modern, (ii) founded in the efficiency and effectiveness of family agriculture and agribusinesses; (iii) productive and competitive in local and international markets, ensuring food security of the population; (iv) achieving returns on the assets of the sector; (v) environmentally sustainable; and (vi) producing surpluses for value added processing.
11. This vision has been articulated by the Government and the Development Partners into the National Agriculture Investment Plan (NAIP) covering the period 2010-2016. The NAIP not only derives its objectives and strategy from the existing Agriculture Policy, but also from the Post-Disaster Needs Assessment (PDNA) and the overall Government and International response to the post-earthquake reconstruction effort. The Plan's specific objectives are to: (i) increase the productivity and the competitiveness of the agriculture sector; (ii) augment by 25 percent the contribution of the agricultural production to the national food availability; (iii) reduce by 50 percent the number of persons who suffer from food insecurity in Haiti by 2015; (iv) improve the health conditions and nutrition of the Haitian people, with focus on vulnerable groups; (v) increase the agriculture income of at least 500,000 households; (vi) augment the entry of foreign currency to the country; and (vii) decrease the vulnerability of the general population to natural disaster risks.
12. Based on the NAIP and on the financial pledges offered by Development Partners, the Government of Haiti requested additional funds from the Global Agriculture and Food Security Program (GAFSP). The proposal presented by the Government of Haiti (see Annex III) proposed to achieve the NAIP's objectives and overall sectoral vision by focusing on three strategic components: (i) development of rural infrastructure; (ii) support to improving

agriculture production and productivity, and to developing targeted sub-sectors; and (iii) strengthening and improving agricultural public services and institutional support, in particular agriculture extension services and animal and plant health (SPS). The GAFSP approved financing for Components (ii) and (iii) for an amount of US\$25 million and US\$10 million respectively (Component (i) was not approved).

13. Given the fact that the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) is currently implementing two Bank-financed operations related to agriculture extension services, the Government of Haiti requested the Bank to be the supervising entity for component (iii) of the GAFSP proposal; while the Inter American Development Bank (IADB) will be supervising component (ii). Therefore, the proposed project will be complementary to the Bank-financed projects in implementation: (i) the Strengthening of Agricultural Public Services Project (RESEPAG I), and (ii) the Project for the Prevention and Control of Avian Flu and other Zoonoses (PRECONIA). Currently, only a few Donors are planning to further support the strengthening of agriculture extension services (IADB and US Government), so the role of this GAFSP-financed project will be important in: (i) ensuring a minimum level of capacity on the ground to deliver agriculture extension services in the area of animal and plant health and agricultural best practices; and (ii) bridging a relatively smaller but critical financial gap (currently at US\$55.7 million) of the NAIP's component on agriculture extension services. Furthermore, this project will complement the gap left by national and donor contributions by focusing on the third strategic line of the NAIP and the third component of the GAFSP Haiti proposal, strengthening and improving agricultural public services and institutional support; which in turn is highly complementary to existing Bank-financed projects in the sector.

II. Proposed Development Objective(s)

A. Proposed PDO

14. The proposed development objective is to increase access by small farmers to agriculture extension services. It is expected that project activities will: (i) support the adoption of improved agriculture technologies and best practices on animal and plant health by small farmers; and (ii) allow an increase in the capacity to undertake key bio-security analysis in-country by investing in necessary equipment and technical assistance.

Key Results

15. Key final result indicators for the project have been determined preliminarily as follows: (i) the definition and endorsement of an agriculture extension strategy and implementation plan by the MARNDR and key Development Partners¹; (ii) national laboratory capacity to perform key diagnostic tests under bio-security level 2 (according to international standards); and (iii) the number of additional farmers adopting improved agriculture technologies and best practices on animal and plant health risks (and the percentage of women included in this

¹ The key Development partners with respect to Agriculture Extension are: (i) the IADB, (ii) the French Technical Cooperation; (iii) the US Government (USAID, USDA); and (iv) international technical cooperation organizations (IICA, IFAD and FAO).

group). These specific indicators are subject to some revision during the preparation phase of the project.

III. Preliminary Description

Description

16. The total project cost is estimated at US\$10 million (financed by a grant from the GAFSP), to be implemented over a five-year period from 2011 to 2016. Given the executing capacity of the MARNDR and the nature of project activities and investments, a 5-year investment project execution period is deemed appropriate. The details of component costs and activities remain to be confirmed with the Project Team during the course of project preparation, in order to complement ongoing activities under the Bank-financed RESEPAG I project, which is currently under Bank supervision, as well as ongoing activities under the NAIP that will be financed by other donors.
17. Component 1: Strengthening MARNDR's Agriculture Extension Capacity (US\$4 million). This component includes: (i) strengthening the MARNDR's function for agriculture extension planning and coordination; (ii) the definition and implementation of an agriculture extension strategy in which farmers are seen as clients, sponsors and partners, instead of beneficiaries; (iii) supporting scientific cooperation between Haiti, CGIAR centers (CIAT and CIMMYT), and other countries, to improve agriculture extension services and techniques; and (iv) investments for the certification of a national bio-security laboratory to complement animal and plant health risk activities. The activities will be undertaken under a tripartite strategy, by including: (i) public sector experts (veterinarians, plant health specialist, extension experts, etc.); (ii) private sector experts; and (iii) farmers/producers. In order to execute these proposed activities the component expects to finance: (i) information systems (hardware and software) for improved monitoring and evaluation (M&E) of extension services; (ii) laboratory equipment, materials, and works; and (iii) information systems (hardware and software) for SPS surveillance. The design of this component will largely depend on: (i) a detailed assessment to be undertaken by the Bank team, as well as the planned evaluation to be done by the World Organization for Animal Health (OIE) on the Veterinary Services and subsequent GAP analysis²; and (ii) a detailed strategy discussions planned during project preparation by the Bank team and the main Development Partners that have pledged financial resources towards agriculture extension in Haiti (mainly the IADB and USAID).
18. Component 2: Supporting Local Agriculture Extension Capacity (US\$5 million). This component includes the strengthening of farmer extension and advisory services to improve agriculture and livestock management practices in priority regions, as specified in the NAIP, through: (i) the strengthening of the community-based veterinary groups (GSB) and plant health groups (GSV); (ii) the expansion of capacity for animal and plant disease (SPS) surveillance; and (iii) the extension of agriculture technical packages that have been proven in Haiti, but still relatively unknown to farmers. In order to execute these proposed activities, the component would finance: (i) consultancies and training material and costs for training of extension agents, organizations and farmers; (ii) material, equipment and works to rehabilitate

² The GAP analysis would be undertaken by using the OIE PVS pathway.

existing Research and Extension Centers and Vocational Training facilities and to conduct pilot plot/livestock demonstration activities; and (iii) consultancy and training material and costs for MARNDR staff, GSB and GSV volunteers, and farmers. The design of this component will largely depend on a detailed assessment undertaken by the French Government and the US Agriculture Department (USDA) on local capacity for agriculture extension in Haiti, and is linked with the MARNDR's Rural Supply Chain Development program (DEFI), financed by the IADB.

19. Component 3: Project Management (US\$1 million). Project execution will be under the same team executing RESEPAG I, which is under the responsibility of the Director General (DG) of MARNDR. This component would finance incremental costs associated with project implementation. All efforts by the DG would be made to coordinate project implementation across MARNDR's units, in particular the Directorate of Animal and Plant Health (DPAV) and the Directorate of Research and Training (DRF). To support project coordination and supervision, this component would finance technical assistance, operational costs, and other related costs. The program coordinator in the DG team would be the primary Bank counterpart for the purposes of project supervision and would interface with the fiduciary functions. The coordinator would also supervise the work of the different Directorates responsible for the two components (DRF and DPAV).

IV. Safeguard Policies that might apply

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

V. Tentative financing

{Same as in AUS}

Source:	(\$m.)
Borrower/Recipient	0
IBRD	0
IDA	
Others : (GAFSP Trust Fund)	
Total	US\$ 10 million

VI. Contact point

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

World Bank {Same as TTL information in AUS}

Contact: Diego Arias Carballo

Title: Task Team Leader

Tel: +1 202 458 9809

Fax:

Email: darias@worldbank.org

Location: Washington, D.C.

Borrower/Client/Recipient

Contact: Ronald Baudin

Title: Minister of Finance

Tel:

Email:

Implementing Agencies

Contact: Hermann Augustin

Title: Coordinator, RESEPAG, MARNDR

Tel: +509-3446-8914

Email: hermann_augustin@yahoo.fr

VII. For more information contact:

The InfoShop

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>