



## DOCUMENT OF THE WORLD BANK

## RESTRUCTURING PAPER

## ON A

## PROPOSED PROJECT RESTRUCTURING

## OF

## IMPROVING MATERNAL AND CHILD HEALTH THROUGH INTEGRATED SOCIAL SERVICES

APPROVED ON MAY 21, 2013

## TO

## REPUBLIC OF HAITI

HEALTH, NUTRITION &amp; POPULATION

LATIN AMERICA AND CARIBBEAN

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**I. BASIC DATA****Product Information**

Project ID P123706	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 21-May-2013	Current Closing Date 31-Mar-2020

**Organizations**

Borrower Republic of Haiti	Responsible Agency Fonds d'Assistance Economique et Sociale (FAES), Ministry of Public Health and Population (MSPP), Institut Haitien de Statistique et d'Informatique
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**Project Development Objective (PDO)**

## Original PDO

The objective of the proposed Project is to increase the access and use of maternal and child health, nutrition and other social services in the Recipient's territory. The Project will support services in at least three Departments with a total catchment population of around 1.8 million people, targeting pregnant women, children under five and vulnerable families. Progress on the objectives of the Project will be measured by the following: (i) percent of children under five immunized; (ii) percent of institutional deliveries; (iii) contraceptive prevalence rate; and (iv) decrease in percentage of families categorized as extremely vulnerable.

## Current PDO

To increase the access and use of maternal and child health services, strengthen cholera control, and improve targeting of social services in the Recipient's territory, with a particular focus on areas affected by Hurricane Matthew.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D2030	14-Jun-2017	29-Jun-2017	24-Jan-2018	31-Mar-2020	25.00	25.25	.18



IDA-H8640	21-May-2013	14-Jun-2013	12-Sep-2013	31-Mar-2020	70.00	63.30	2.04
TF-14474	14-Jun-2013	14-Jun-2013	15-Sep-2014	31-Mar-2020	20.00	14.59	5.42
TF-13431	20-Apr-2013	20-Apr-2013	20-Apr-2013	30-Jun-2014	.82	.82	0

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No

**I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES**

1. The project has 3 components: Component 1 – “Providing Maternal and Child Health, Nutrition and Social Services” – finances: (i) Results-Based Financing (RBF) activities focusing on maternal and child health, (ii) cholera control activities, and (iii) Post-Hurricane Matthew response activities and rehabilitation of health infrastructure. Component 2 – “Strengthening the Stewardship and Management Capacity of Government” – supports the setup of a social registry for the identification and tracking of beneficiaries and social assistance programs, and general stewardship and management of the main implementing agencies, the Ministry of Public Health and Population (MSPP) and the Fund for Economic and Social Assistance (FAES). Component 3 – “Piloting Vulnerability Indicators for More Targeted Social Service Delivery” – finances activities aimed at piloting the calculation of vulnerability indicators (mainly in support of the Fifth Demographic and Housing Census), a key step in targeting the vulnerable in the delivery of social services. At the time of Board approval, the total cost of the project was US\$ 90 million equivalent which included an IDA Grant of SDR 46.7 million (US\$70 million equivalent, IDA-H8640) and a Grant from the Health Results and Innovation Trust Fund (HRITF) of US\$20 million (TF-14474). In June 2017, an Additional Financing grant of US\$25 million from the Crisis Response Window was approved by the Board to respond to the impact of Hurricane Matthew (October 2016).
2. The last ISR rating for the PDO (December 2019) is Satisfactory. Targets for 4 out of 5 PDO indicators have been achieved – all except the percentage of children under five immunized, as the immunization program has been adversely affected by systemic issues that have been beyond the scope of the Project to address, including deficiencies in outreach at the community level and supply chain, planning and management deficiencies, and political instability. Implementation Progress was rated Moderately Satisfactory due to: (i) implementation delays related to the increasing challenges with the country context (political, security, inflation and fuel issues); and (ii) fiduciary performance issues with FAES (despite some progress on the latter). There is no overdue audit under this project or implementing agencies. The last audit reports from MSSP and FAES were received on time with unqualified opinion (clean) on the audit statements by the auditors. There are two outstanding IFRs for the FAES PIU and the deadline for their submission is March 2020.
3. A new Health Project (P167512, PROSYS) was approved by the Board in May 2019 and will continue to finance and strengthen key health activities financed under the PASMISSI, especially the cholera and infectious diseases interventions. However, it is not fully operational yet (delays in opening new operational accounts for the Project), and there is a risk the issue will not be solved by March 31.



4. The political instability, challenging security environment and fuel shortages over the last year have considerably hindered Project activities despite mitigation measures undertaken by the Project team (Bank and Government) to offset these risks. In particular, restricted access to project sites (due to roadblocks, attacks, civil unrest) adversely affected the following: (i) civil works; (ii) RBF verification and Impact Evaluation survey activities; (iii) delivery/installation of medical and vaccine cold chain equipment by UNOPS and UNICEF (contracted by the Project); and (iv) Project Implementation Unit (PIU) and Bank supervision activities. On the social protection (SP) side, security issues have substantially slowed down the finalization of the National SP Strategy and the consultative process for this Strategy, as well as the launch of the procurement process for the expansion of the SISMAT (Système d'information du Ministère des Affaires Sociales et du Travail, the Ministry of Social Affairs and Labor's social registry). The security situation continues to deteriorate.

5. In light of those implementation delays, a level 2 Restructuring was approved on December 19, 2019, to ensure an orderly Project closure and allow for the new Project to take over the financing of key interventions. This restructuring extended the Project Closing Date by three months (from December 31, 2019 to March 31, 2020) and reallocated funds between disbursement categories under the Project's original IDA grant for activities implemented by the MSPP. The reallocation (mostly from the funding of the RBF) ensured the availability of financing to conclude civil works and activities implemented by UN agencies. It was expected that the restructuring would allow for the: (i) effective transfer of the health-related contracts to the new Health Project (167512 - PROSYS); (ii) finalization of the National SP Strategy and development of an initial roadmap for its implementation; and (iii) extension and strengthening of the SIMAST.

6. The restructuring allowed for the following measures to be taken:

- For the activities managed by the MSPP: (1) UN contracts (three contracts) were extended and amended to be co-financed by the new health Project (P167512) to allow for appropriate conclusion of activities; (2) Civil works contracts (eight contracts) were amended to be co-financed by the new health Project to provide enough time for their conclusion; (3) Field-based engineers and supervisors have been deployed and are based close to the civil works sites; and (4) Intensive follow-up took place with the PIU, to ensure speedy resolution of fiduciary bottlenecks.

- For the activities managed by the FAES: (1) The finalization of the National Social Protection Strategy and development of an initial roadmap for its implementation; (2) The extension and strengthening of the Ministry of Social Affairs and Labor's social registry "SIMAST". A contract with the World Food Program (WFP) – who had been supporting the Ministry of Social Affairs and Labor on the population of the SIMAST and the preparation of the national SP Strategy – was signed to finalize the SP Strategy, continue analytical work on the next generation of social safety nets in Haiti, conduct an assessment of payment systems for social protection, and add functionalities to the SIMAST database.

Progress under Component 1:

7. RBF stream: the country's security situation created delays in the implementation of the program (in its verification activities, leading to delays in RBF payments, and in the activities of the RBF Impact Evaluation endline survey). The analysis of the data collected during the endline Impact Evaluation survey has encountered some delays but is scheduled to be completed by June 2020.

8. Cholera stream: Project performance focusing on the cholera response has been outstanding as no cholera cases have been reported since January 2019. The laboratory transport network for the collection of patient samples has



been strengthened in coordination with partners to enable fast laboratory confirmation of suspected cases of cholera. Joint MSPP-NGO teams (EMIRAs) are still active in order to maintain a response capacity. This is partly supported by a PASMISSE-financed contract with UNICEF. Under this stream, activities supported by UNICEF needed to be finalized through a contract extension (until June 30, 2030), which was to be co-financed by PASMISSE and PROSYS. The contract extension has been signed and will finance prevention and response capacity support activities and an environmental study to confirm the absence of epidemic cholera strains in the environment, among others.

9. Post-Hurricane Matthew response activities and rehabilitation of health infrastructure: The main activities include civil works for health facilities and warehouses, re-instating of the vaccine cold-chain and general immunization support (through a contract with UNICEF), as well as provision of equipment at rehabilitated health facilities (through a contract with UNOPS). Despite mitigating measures, all these activities have been severely affected by the deteriorating context. However, 90% of rehabilitations have been concluded over the past 3 months. Depending on the evolution of context (with the epidemic creating additional uncertainty), the remaining 10% (6 sites) should be concluded before September 2020.

#### Progress under Component 2:

10. The implementation progress under this Component, which is implemented by the FAES, was for many months hindered by fiduciary issues, including undocumented expenses as well as ineligible expenditures for a total of US\$386,266. After joint Bank and FAES efforts were deployed through strengthening of the PIU fiduciary team with procurement and FM specialists reassigned by FAES and an accounting consultant hired by the Project, as well as support from the Bank team, a total amount of US\$117,266 was reconciled and US\$65,000 that was deemed ineligible was reimbursed to the Bank. The Bank team continues to work with the FAES PIU to document the remaining balance.

11. Implementation progress picked up, and with the support of WFP the National Social Protection Strategy was finalized, following extensive consultations with stakeholders including various line Ministries at the central and local level. This draft was presented to the President by the Minister of Social Affairs and Labor in February. Adoption of the Policy is expected very shortly through the Council of Ministers (the initial date was March 18th, although the COVID-19 response has delayed this). Implementation plans for the Social Protection Strategy were developed for two departments (North and North West) during the extension, and a communication campaign is ongoing. Additionally, a study on the next generation of shock-responsive safety nets in Haiti as well as an assessment of the payment structures for social programs are ongoing, and the monthly social protection round table (including stakeholders from the Government, NGOs and donors) have continued. Some of the activities planned with WFP, including dissemination of findings and a workshop on shock-responsive social protection, will have to be delayed as no meetings can be held under social distancing rules.

12. The Project has also contributed to strengthening the SIMAST by: (i) helping to reinforce its technological infrastructure and to improve system functionality with the support of WFP; and (ii) supporting the extension of the SIMAST to two communes in the North Department (Bahon and Limonade), adding around 18,000 households to the social registry (the survey is being conducted by the Conseil National de la Securite Alimentaire (CNSA)) (iii) procurement of equipment for FAES, MAST, BSEIPH, and CAS to be able to use SIMAST and perform registrations at the central and local levels (iv) support to the SIMAST Steering Committee to gather all stakeholders on strategic discussions for the social registry in March (v) support to the SIMAST training for FAES, MAST, BSEIPH and CAS on 9-13 March.

#### Progress under Component 3:



13. Activities have been fully completed. Component 3 focused on “Piloting Vulnerability Indicators for More Targeted Social Service Delivery”; its activities were planned to also be used as an input in the preparation of the 5th population census. The pilot census was implemented in September 2018. Moreover, the data captured by the pilot allowed the Institut Haïtien de Statistique et d’Informatique (IHSI) to become familiar with the methodology to calculate and produce estimates on vulnerability clusters for the four departments included in the pilot census. Outputs related to these activities have been finalized. The 5th census project has encountered delays, however, due to the ongoing challenging context and the field work has been postponed. Financing for completion of the census has been mobilized through other sources. No further activities are required under Component 3.

#### Proposed changes

14. The World Bank received a request from the Government of Haiti on March 19, 2020 to restructure the Project on two aspects: (1) a six-month extension, from March 31, 2020 to September 30, 2020 (IDA-H8640, IDA-D2030 and TF-14474); (2) a reallocation of funds between disbursement categories (under the Project's original IDA grant, IDA-H8640), from FAES-implemented interventions to MSPP-implemented activities.

15. The reallocation between disbursement categories would allocate additional funds to support the MSPP’s capacity to address the pandemic. The reallocated funds would come from funds unused by FAES (Category 8 of the original IDA-H8640 Financing), and would finance activities under Category 7B, which covers all MSPP-implemented activities except those related to RBF and Emergency Response activities.

#### Rationale/Justification

##### The COVID-19 pandemic

16. The coronavirus disease (COVID-19) caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China. Since the beginning of March 2020, the number of cases outside China has increased thirteen-fold and the number of affected countries has tripled. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spreads across the world. As of March 19, 2020, the outbreak has resulted in an estimated 236,420 cases and 9,790 deaths in 160 countries.

17. COVID-19 is one of several emerging infectious diseases (EID) outbreaks in recent decades that have emerged from animals in contact with humans, resulting in major outbreaks with significant public health and economic impacts. Scientists are still trying to understand the full picture of the disease symptoms and severity. However, the outbreak has the potential for greater loss of life, significant disruptions in global supply chains, lower commodity prices, and economic losses in both developed and developing countries. The length and severity of impacts of the COVID-19 outbreak will depend on the projected length and location(s) of the outbreak, as well as on whether there is a concerted, fast track response to support developing countries, where health systems are often weaker. With proactive containment measures, the loss of life and economic impact of the outbreak could be arrested. It is hence critical for the international community to work together on the underlying factors that are enabling the outbreak, on supporting policy responses, and on strengthening response capacity in developing countries – where health systems are weakest, and hence populations most vulnerable.



## Situation in Haiti

18. The likelihood of a first case being confirmed in Haiti increases every day. While there are no confirmed cases of COVID-19 in Haiti yet, MSPP and local partners believe that given the development of the pandemic, Haiti will be affected very soon. The government announced the closure of its borders with the Dominican Republic which, as of March 16th, reports 21 cases and 1 death. Some restricted flights from the US are still allowed into the country, with screening of passengers upon arrival. The government has canceled all official travel. Haitians and foreigners are held in quarantine and/or under observation in Haiti. One death may have been caused by the virus already, contact has been lost with people who may have been exposed. The country suspended all flights from Europe and Latin-America, effective Tuesday, March 17th.

19. The Haitian population is particularly vulnerable to epidemics. The lack of access to adequate water and sanitation increases the risk of transmission and could contribute to widespread contagion. With at least a third of the population food insecure, the health status of the Haitian population is weakened, which probably makes it more vulnerable to complications from COVID-19. The Haitian population is also highly mobile, with a large percentage of the population dependent on informal sector activities for their livelihoods, which will complicate efforts to contain the spread of the virus.

20. Despite experience in cholera response, the health system is not prepared to address the pandemic. MSPP does not have the capacity to address COVID-19 cases alone. The health system is already stretched with insufficient health workers, inputs, operational capacity and budget. Many facilities lack necessities, including water, sanitation, hygiene (WASH) services. Most medical NGOs have left the country over the last few years, and the security situation in the last year has worsened the situation.

21. The PASMISSI has provided critical support to strengthen the Ministry's capacity to fight cholera and other epidemics, which was to transition to a more integrated approach to surveillance and response under PROSYS. Due to the sharp decrease in cholera funding, PASMISSI progressively increased its geographical and financial support for cholera surveillance and response. In addition to water and sanitation improvements in health facilities, it financed surveillance, laboratory activities (support to the National Laboratory and to the laboratory transport network), and cholera rapid response teams (EMIRAs) nationwide. The cholera-specific mechanisms are now mostly financed through the PASMISSI (accounting for approximately 70% of the health-related cholera response activities in the country). As financing for cholera from other donors was not expected to increase in the short term, the new PROSYS was designed to provide continuous support to maintain a minimum capacity for cholera surveillance and control.

22. Some critical interventions were scheduled to end with PASMISSI, which now needs to be extended to address COVID-19. With PROSYS, the system was to evolve towards broader, less-cholera specific approach to infectious disease surveillance and response. While this would leave in place systems that could be mobilized for the fight against the pandemic, the evolution would also entail the rationalization of human resources, which means that many contracts linked with surveillance/intervention functions will not be renewed after the end of the PASMISSI (especially for the joint MSPP/NGO interventions teams at the local level, the EMIRAs). PASMISSI also finances contracts for 500 health workers and MSPP staff from central units (including for surveillance and response units and labs). Those contracts are scheduled to end on March 31. Given the emergency, the simplest way to ensure immediate availability of those resources would be to extend the Project and the corresponding contracts.

23. Closing PASMISSI now would hinder the Government's capacity to support the COVID-19 response. Even before the emergence of the pandemic, there was a risk that the new project PROSYS would not be fully operational by



PASMISSI’s scheduled closing date (March 31). Despite continuous efforts with MEF and MSPP, operational accounts are not opened and there is very high risk that they will not be by the time of PASMISSI closes. Even if they are, the easier way to guarantee continuity of contracts and operations for MSPP units is to maintain them under PASMISSI to avoid unnecessary bureaucratic processes that will add a risk of further delay. It should also be emphasized that the PIU is now working intensively on efforts to close PASMISSI and carry over several contracts from PASMISSI to PROSYS, and they are struggling to do so without adverse impacts on the two projects, given our procurement and disbursement/FM procedures. It will be difficult for them to undertake these efforts properly while at the same time dealing with urgent demands due to coronavirus and the setting up. Furthermore, some key personnel (including within the PIU) will become redundant under PROSYS due to the different structure and goals of PROSYS. Alleviating the administrative burden linked to the transition between the two projects would thus avoid additional delays and free up time to process a new operation, all of which are highly desirable at a time of emergency.

24. The requested six-month extension and reallocation would increase the funding available to fight the pandemic by using resources that are still undisbursed. \$2.3 million undisbursed at FAES two weeks before the scheduled end of PASMISSI, will be reallocated to the COVID-19 response. It will allow to maintain all MSPP health workers mobilized for epidemic interventions, and to keep all operational capacity of Surveillance, Labs, and patient treatment of MSPP at central and local levels (about 500 staff, coordination, communication, fast mobility capacity).

## II. DETAILED CHANGES

### LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D2030	Effective	31-Dec-2019	31-Mar-2020	30-Sep-2020	30-Jan-2021
IDA-H8640	Effective	31-Dec-2018	31-Dec-2019, 31-Mar-2020	30-Sep-2020	30-Jan-2021
TF-13431	Closed	31-Dec-2013	30-Jun-2014, 12-Dec-2014		
TF-14474	Effective	31-Dec-2018	31-Dec-2019, 31-Mar-2020	30-Sep-2020	30-Jan-2021

### REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)		
					<table border="0"> <tr> <td style="text-align: right;">Current</td> <td style="text-align: right;">Proposed</td> </tr> </table>	Current	Proposed
Current	Proposed						



# The World Bank

Improving Maternal and Child Health through Integrated Social Services (P123706)

IDA-H8640-001 Currency: XDR	GO,CW,NCS,CS,T R,OP Pt A.1(a)(b), B1	9,405,809.33	9,405,809.33	9,405,809.33	100.00	100.00
	Results-Based Payments Part A.1(c)	4,500,000.00	721,448.13	4,500,000.00	100.00	100.00
	GO,CW,NCS,CS,T R,OP Pt A.2(a-f), B2	2,543,483.00	2,496,348.56	2,543,483.00	100.00	100.00
	Conditional Cash Grants Pt A.2(g)	0.00	0.00	0.00	100.00	100.00
	GO,CW,NCS,CS,T R,OP Pt C	3,734,342.44	3,734,342.44	3,734,342.44	100.00	100.00
	Emergency Exp Pt A3	0.00	0.00	0.00	100.00	100.00
	GO,CW,NCS,CS,T R,OP Pt A1b&d	200,000.00	0.00	200,000.00	100.00	100.00
	GO,CW,NCS,CS,T R,OP A1a A1 B1	23,654,212.23	18,320,513.17	25,354,212.23	100.00	100.00
	GO,CW,NCS,CS,T R,OP Pt B2ab	2,662,153.00	611,474.26	962,153.00	100.00	100.00
	<b>Total</b>	<b>46,700,000.00</b>	<b>35,289,935.89</b>	<b>46,700,000.00</b>		