



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 13-Jul-2020 | Report No: PIDC29467



**BASIC INFORMATION**

**A. Basic Project Data**

Country Haiti	Project ID P174111	Parent Project ID (if any)	Project Name HT Adaptive Social Protection for Increased Resilience (P174111)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Nov 11, 2020	Estimated Board Date Feb 26, 2021	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Social Affairs and Labor	

**Proposed Development Objective(s)**

The Project’s Development Objective is to establish the foundations for an adaptive social protection system and provide access to social programs to poor and vulnerable populations to increase their resilience.

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	75.00
<b>Total Financing</b>	75.00
<b>of which IBRD/IDA</b>	75.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	75.00
IDA Grant	75.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

- Haiti has not made substantial progress towards eradicating poverty in the last decade.** With an estimated Gross Domestic Product (GDP) per capita of US\$790 in 2019 and a population of around 11 million, Haiti is the poorest country in the LAC region and among the poorest countries in the world. Economic growth in the country has been stagnant in the past decade, and GDP was estimated to have contracted by 0.9 percent in FY 2019. Official poverty data indicates that 58.5 percent of the population was poor in 2012, compared to an estimated 57 percent in 2017. One-quarter of the population lives below the extreme poverty line. The gap between urban and rural areas is increasing with poverty becoming an increasingly rural phenomenon.
- Households in Haiti are largely unprotected against multiple economic shocks.** Poverty is widespread and deep and perpetuated by human capital eroding coping strategies to cope with multiple shocks, including reducing food consumption, education expenditures, and forgoing healthcare. The consequences of these inadequate coping mechanisms are multi-dimensional and contribute to worsen health and education outcomes.
- The Haitian population suffers from high levels of food insecurity.** Haiti has one of the highest levels of chronic food insecurity in the world and is currently facing a food security crisis, recognized as a humanitarian emergency by the United Nations. Rising staple food prices, the depreciation of the gourde, socio-political unrest, deteriorating security conditions, and the decline in agricultural production due to the 2018 drought have greatly reduced access to food for the poorest households. About 40 percent of the population suffers from acute food insecurity, with more than a million individuals reaching emergency malnutrition levels. This crisis primarily affects rural areas (42 percent), but also urban slums (31 percent), especially in the Port-au-Prince metropolitan area. Children are particularly vulnerable to food insecurity, with 23 percent of children in Haiti being chronically malnourished. Moreover, severe malnutrition rates increased from 4 percent in 2017 to 6 percent in 2019.
- The COVID-19 pandemic is further exacerbating poverty and vulnerability.** Households directly affected by the COVID-19 pandemic are exposed to high out-of-pocket healthcare costs and forgone earnings. More broadly, the global economic crisis is compounding the socio-economic Haitian crisis through increased inflation, lower earnings due to higher unemployment rates, and disruptions in the delivery of health and education services. Furthermore, the current economic downturn in North and South America is expected to affect remittances flows negatively. With about one in every five Haitian households relying on remittances, the reduced flow of such transfers, which constitute a vital source of income, is expected to have profound effects on poverty.



## Sectoral and Institutional Context

5. **The current social protection system is very weak and fragmented. However, recent efforts led by the government and donors have contributed to the development two essential policy elements of the social protection system: a social protection strategy and a social registry.** The nationwide launch of the Social Protection Working Group in 2016 represented an important step towards the formulation of a national social protection policy and strategy. This process was initiated by the Ministry of Social Affairs and Labor (MAST) with support from the United Nations World Food Program (WFP) and the World Bank, and entailed several regional and nationwide consultations with variety of stakeholders. The National Social Protection and Promotion Policy (NSPPP) was finalized in February 2020 and was adopted by the Council of Ministers in June 2020. The continuing dialogue around the *Table sectorielle* is an important way to build consensus around social protection policy directions. The SIMAST social registry plays an important role in informing the design of social protection programs and targeting households through Deprivation and Vulnerability Index (HDVI), an algorithm constructed on the basis of the 2012 Living Standard Monitoring Survey (LSMS), and which serves as a mechanism to proxy for household poverty.

6. **The main policy priority in the short run is to introduce a sustainable cash transfer program to protect poor households against the multiple shocks they face.** Beyond the chronically high levels of poverty the food insecurity crisis and the COVID-19 pandemic have emphasized the urgent need to establish a sustainable shock-responsive social safety net. The chronic and acute needs of the population require a social safety net mechanism that can support risk mitigation through investing in human capital, as well as being shock responsive. Under the status quo, household shocks – including the COVID-19 crisis are being addressed through uncoordinated (and in some cases ad-hoc) humanitarian crisis responses, which are not sustainable and undermine the country’s own capacity to develop a safety net system.

### Relationship to CPF

7. **The proposed project aligns well with the main objectives of Haiti’s Country Partnership Framework.** The proposed Project is well aligned with the World Bank Group’s FY16-19 Country Partnership Framework (CPF) for the Republic of Haiti discussed by the Executive Directors on September 29, 2015 and the Performance and Learning Review (PLR) dated June 27, 2018, which emphasize building human capital and resilience to shocks.<sup>1</sup>

## C. Proposed Development Objective(s)

8. The Project’s Development Objective is to establish the foundations for an adaptive social protection system and provide access to social programs to poor and vulnerable populations to increase their resilience.

### Key Results (From PCN)

9. The following key results are expected to be achieved:

- To provide income support through a shock-responsive unconditional cash transfer (UCT) program targeted to vulnerable households with small children.
- To develop the capacity of the Ministry of Social Affairs (MAST) to implement the unconditional cash transfer program and other safety net programs.

<sup>1</sup> The CPF period was originally set from 2015 to 2019. However, after the Performance and Learning Review (PLR) of the CPF was completed in 2018, CPF milestones were extended until 2021 while a new CPF is prepared.



### D. Concept Description

#### Direct Project Beneficiaries

10. **Direct Project beneficiaries will include poor and vulnerable households.** For the unconditional cash transfer, most vulnerable households will include those with small children in selected areas with high levels of food insecurity and economic vulnerability.

#### Project Components

11. The Project will include four components:

**Component 1 : Delivery of an UCT with behavior changing accompanying measures.** This component will provide rapid income support and potential accompanying measures to a set of priority households living in extreme poverty and vulnerability.

**Component 2: Establishing the foundations for an adaptive SSN system.** This component will develop the structural and administrative capacity of the MAST to deliver SSNs to poor and vulnerable households.

**Component 3: Project Management and Evaluation.** This component will support project management and coordination, including the establishment of a Project Implementation Unit (PIU) at MAST and responsible for Project monitoring and evaluation, procurement, financial management, safeguards, and citizen engagement.

**Component 4: Contingency Emergency Response Component – CERC.** This provisional component is designed as a mechanism for rapid response in the event of an eligible emergency, with an activation upon request from the Government of Haiti.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

#### Summary of Screening of Environmental and Social Risks and Impacts

12. At this stage, the screening of Environmental and Social Risks and Impact identified risks related to waste management, particularly the need for project workers to dispose of their PPE in a safe manner during the period when COVID-related protective measures are to be followed, sexual exploitation and abuse and sexual harassment (SEA/SH) and gender-based violence, project workers exposure to the COVID-19 virus, transmission of the virus to local communities and beneficiaries and the deployment of security forces for cash transport and distribution. These will be addressed through the project’s Environmental and Social Management Framework (ESMF) including a SEA/SH Prevention and Response Plan. A Stakeholder Engagement Plan will be developed incorporating a stakeholder mapping and a communication strategy to guide the interactions with the wide range of beneficiaries (including the most vulnerable among them) and ensure that a Grievance Redress Mechanism (GRM) is in place for addressing concerns and grievances during the project execution.



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**APPROVAL**

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