

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

**TACKLING FOOD INSECURITY AND FOSTERING RESILIENCE THROUGH
SAFETY NET FOR VULNERABLE POPULATIONS**

(HA-J0007)

PROJECT PROFILE

PROJECT PROFILE

HAITI

I. BASIC DATA

Project Name:	Tackling Food Insecurity and Fostering Resilience through Safety Net for Vulnerable Populations		
Project Number:	HA-J0007		
Project Team:	Nicola Magri, Team Leader (SCL/SPH), Emmanuelle Monin, Alternate Team Leader (SCL/SPH), Marco Stampini, Ramiro Guerrero, Neili Carolina Bermudez (SCL/SPH), Carina Graciela Lupica and Florencia Savoca Truzzo (SCL/GDI), Angel Sanabria and Marise Etienne Salnave (VPC/FPM), Javier I. Jimenez Mosqueira and Sara Vila Saintetienne (LEG/SGO), Aurelie Gilles, Mathieu Cros, and Giulia Lotti (CID/CID).		
Beneficiary:	Republic of Haiti		
Grant Modality:	Specific Investment Grant		
Executing Agency:	FAES – Social and Economic Assistance Fund		
Financial Plan:	IDB (Grant Facility-GRF):	US\$50,000,000	
	Total:	US\$50,000,000	
Safeguards:	Risk Classification:	ESRR: Moderate	DCCRC: Moderate
	Impact classification:	C	
Processing track:	<input checked="" type="checkbox"/> Special		
Country Strategic Alignment:	GN-2904 (2.2 Reduction in maternal mortality and mortality of children under five)		
Strategic Alignment:			
Challenges:	<input checked="" type="checkbox"/> Social Inclusion <input type="checkbox"/> Productivity and Innovation <input type="checkbox"/> Economic Integration		
Crosscutting:	<input checked="" type="checkbox"/> Gender Equality	<input checked="" type="checkbox"/> Diversity sustainability	<input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Institutional Capacity and Rule of Law

II. GENERAL JUSTIFICATION AND PROGRAM STRATEGY

- 2.1 **Haiti remains a highly fragile state.** Continuous social and political unrest since 2018, exposure to natural disasters and the socioeconomic consequences of the Covid-19 pandemic and cholera outbreak have been negatively impacting the Haitian population and economy. Haiti has become “chronically fragile”;¹ in 2022 it ranked 11th out of 179 countries in the 2022 Fragile State Index (FSI).² 2022 represented a fourth consecutive year of economic contraction, estimated at 1.7%;³ according to the World Bank, real Gross Domestic Product (GDP) might

¹ [See Chronic Fragility](#)

² [See FSI](#)

³ [World Economic Outlook \(April 2023\) – GDP per capita, current prices \(imf.org\)](#)

shrink also in 2022/23, by 1.1%.⁴ Inflation, which reached 38.7% in September 2022 and 48.2% in February 2023, and the weakening of the national currency, are limiting the access to food, as the country relies on imports. Haiti is also the third most vulnerable country in the world to earthquakes and extreme weather events.⁵ According to the World Food Program (WFP), Haiti is experiencing a multi-year drier and warmer cycle, with prolonged negative rainfall anomalies affecting soil conditions, and therefore crops and grazing areas.⁶ Furthermore, insecurity and forced displacement of farmers due to gangs' presence in the Artibonite department, considered as the food supplier of the country, have resulted into the loss of 5,800 hectares of cropland.⁷

- 2.2 Coordinated action and funding from donors, including from Inter-American Development Bank (IDB) which has been supporting social protection interventions continuously since 2020, have prevented the food insecurity situation from worsening even further.⁸ However, the National Coordination on Food Security (CNSA) reports that according to the latest Integrated Food Security Phase Classification (IPC), 4.9 million people (50% of the population) face difficulties accessing food, and live in areas classified as in crisis (IPC 3 and above), of which 1.8 million people are considered in emergency (IPC 4) from March to June 2023,⁹ an increase of 9% compared to the same period in 2022.
- 2.3 Regarding the healthcare sector, stakeholders indicate that the increased fragility and the Covid-19 pandemic have resulted into lower access to services¹⁰ and low vaccination rates; children malnutrition is also on the rise. An assessment conducted by *Les Centres GHESKIO* (GHESKIO) in November 2022 using EMMUS¹¹ data reported that 30.7% of the country's total population accessed a healthcare facility at least once a year, this figure decreased to 19.3% in 2021. 21% of communes do not have a health center and one in four Haitians travels more than one hour to reach one.¹² Due to spiking insecurity and frequent fuel shortages the access to healthcare has been worsening in 2022.¹³ Approximately 48% of hospitals in the Port-au-Prince metropolitan area are in zones controlled or influenced by gangs. Several have faced closures because of attacks on their facilities, patients, or medical staff. Between January 2022 and April 2023, there were more than 30 kidnappings of doctors; over 50% happened during the first three months of 2023.¹⁴ Within this context, women, and persons with disability (PWD) are particularly vulnerable. In the case of women, the maternal mortality

⁴ <https://openknowledge.worldbank.org/server/api/core/bitstreams/a43b3589-50e1-501d-a1c8-59c21dcb9867/content>.

⁵ https://germanwatch.org/sites/default/files/Global%20Climate%20Risk%20Index%202021_1.pdf

⁶ [March 2023 – Dry conditions analysis.](#)

⁷ [April 2023 – Cropland change analysis in Artibonite.](#)

⁸ The CNSA reports that there aren't any more areas in IPC 5, compared to the previous assessment.

⁹ [IPC.](#)

¹⁰ For instance, child deliveries in health facilities decreased by about 14% in Haiti between 2020–2022. See: <https://reliefweb.int/report/haiti/haiti-humanitarian-note-series-new-paradigm-issue-2-impact-violence-access-health-care-23-april-2023>.

¹¹ EMMUS – means «Enquête Mortalité, Morbidité et Utilisation des Services» is a periodical representative sample survey at the national level. <https://www.unicef.org/haiti/rapports/emmus-vi-rapport-de-synth%C3%A8se-2018>.

¹² <https://reliefweb.int/report/haiti/haiti-humanitarian-note-series-new-paradigm-issue-2-impact-violence-access-health-care-23-april-2023>.

¹³ <https://news.un.org/fr/story/2023/03/1133412>

¹⁴ See footnote 12.

ratio is five times higher than the regional average since many births take place outside healthcare facilities. Furthermore, 29% of all women aged 15 to 49 years old have experienced physical violence and 13% percent undergo sexual violence in their lifetime,¹⁵ and those surviving Gender Based Violence (GBV) have limited access to medical and psychological support.¹⁶ Regarding PWD, while non-physical disability is underdiagnosed and while nationally representative data is not available, it is estimated that 20% of the population has some form of disability and they are more likely to be poor due to barriers to access employment and higher expenses due to their support needs.¹⁷

- 2.4 **Sectoral context.** Over the past three years, the Government of Haiti (GoH) has increased its efforts to strengthen social safety nets and support the provision of basic health services to counterbalance the socioeconomic consequences of the unprecedented fragility and the Covid-19 pandemic. For example, in an effort to increase social spending, the budget allocation to the Ministry of Social Affairs and Labor (MAST) has increased from HTG 4.9B in fiscal year 2021/2022 to HTG 30.6B in 2022/2023, while allocation to the Social and Economic Assistance Fund (FAES) has increased from HTG 138M to HTG 275M for the same period;¹⁸ this contributes to tackling the needs of the most vulnerable populations as planned under the government's *Politique Nationale de Protection et Promotion Sociale* (PNPPS). Included in the extraordinary budget increase of MAST are US\$110M that the International Monetary Fund financed through its Food Shock Window to further assist those in need. Moreover, considering limitations such as the lack of a social registry with universal coverage, the GoH has been investing resources into the strengthening of its institutional capacity to target the most vulnerable households through the expansion of the coverage of the Information System of MAST¹⁹, as well as the management and reporting of execution through the Commcare-based solution being used by FAES.²⁰
- 2.5 After the social protection operation Temporary Social Safety Net and Skills for Youth ([4657/GR-HA](#))²¹ approved in 2018, the IDB has approved three more social protection programs since the Covid-19 outbreak: Safety Nets for Vulnerable People Affected by Coronavirus in Haiti ([5068/GR-HA](#)),²² Expansion of Safety Nets for Vulnerable Populations Affected by the Socio-Economic Consequences of Coronavirus ([5288/GR-HA](#)) and Program to Strengthen Safety Nets for Vulnerable Populations ([5591/GR-HA](#)), totaling US\$230M, executed by FAES. Under these

¹⁵ See: <https://www.elibrary.imf.org/view/journals/002/2020/122/article-A001-en.xml>.

¹⁶ <https://www.unfpa.org/press/women-and-girls-among-those-most-impacted-haitis-multiple-crises>.

¹⁷ [Analysis on Gender and Diversity in Haiti drafted by the IDB's Gender and Diversity Division](#)

¹⁸ In the case of FAES, the figure does not count the resources that FAES executes provided by the IDB.

¹⁹ SIMAST is the social registry managed by MAST and collects households' data allowing to calculate the National Deprivation and Vulnerability Index (INPV) for targeting. It currently covers 30% of the population. The GoH has developed a plan to reach a 70% coverage over the coming years. See: [SIMAST](#)

²⁰ Commcare is a social protection management tool to register beneficiaries identified through SIMAST, when SIMAST data is available or other modalities, assign interventions to them (e.g., cash for work, cash transfers), track transfers and automatize reporting, among other functionalities, allowing verification and transparency. Commcare is used by FAES and multiple operators allowing the GoH to track social protection deployment and access project data without depending on proprietary or implementing partners' ad hoc systems. New features (beneficiaries' biometric data, interoperability with operators of mobile transfers, e.g., Moncash, Lajancash) are gradually being added.

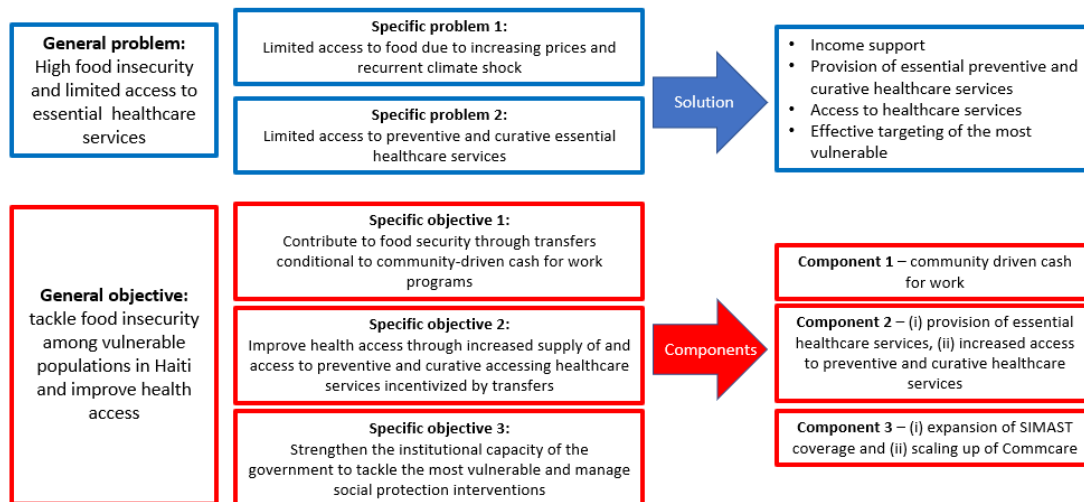
²¹ Execution ending in 2024.

²² Fully executed, pending administrative closure.

programs more than one million people have received assistance through the various interventions (as detailed in the annex²³).

- 2.6 In terms of health, the Covid-19 Immediate Public Health Response operation²⁴ funded, among other activities, the rehabilitation and equipment of the Emergency Service of La Paix University Hospital, in Port-Au-Prince, thanks to the engagement of the Pan-American Health Organization (PAHO).²⁵ La Paix University Hospital has seen a rise in patient influx, serving as one of the few healthcare offering its services in times of crisis, when others were not accessible because of fuel shortages or conflicts involving gangs. Moreover, stakeholders have reported that facilities like La Paix University hospital are seeing an increase in demand for GBV-related medical and psychological services as result of the widespread insecurity requiring the strengthening of these services.²⁶
- 2.7 Despite these achievements, considering the multiple needs arising from the context of generalized fragility (see ¶2.2 and ¶2.3), the GoH has prioritized (i) providing income to tackle food insecurity resulting also from climate shocks, through community-driven cash-for-work projects and other cash transfer mechanisms, (ii) providing essential healthcare services combined with transfers as incentive mechanisms, (iii) strengthening its institutional capacity to target vulnerable household and manage implementation through SIMAST and Commcare, respectively .

Figure 1 – Vertical Logic of HA-J0007



- 2.8 **Program Strategy.** The program strategy is to build on the successful and consolidated modalities of the current portfolio (see ¶2.5). First, FAES, as the leading government agency that implements the main social protection programs of the GoH, engages highly specialized operators -Non-Governmental Organizations (ONG) and United Nations (UN) agencies- to deploy large scale

²³ [Main activities financed by IDB-FAES projects.](#)

²⁴ Reformulation of resources from [3383/GR-HA](#) and [4618/GR-HA](#).

²⁵ <https://www.youtube.com/watch?v=I9F2IGhXu-c>.

²⁶ <https://www.ohchr.org/fr/press-releases/2022/10/haiti-gangs-use-sexual-violence-instill-fear-un-report>

assistance to those in need. With the same approach, the program will scale the provision of transfers conditional to the participation into cash-for-work programs, and compliance with preventive and curative healthcare services. For healthcare services, the specialized operators will be responsible to provide the demand incentives (cash transfers) and to provide the health services to the selected population. Implementation will also see the expansion of the coverage of SIMAST and the scaling up the use of Commcare. Beneficiaries will be targeted in a two-step process: first through a geographic targeting based on IPC and exposure to climate shocks,²⁷ then, within these selected areas, through SIMAST data if available, or other modalities, using indicators such as the number of children, elderly or PWD in the household, among others. To ensure the efficiency of resources and effective reporting, the use Commcare, a management software already being used by FAES, to register all beneficiaries and track transfers, will be extended to this operation (see the description provided under [5591/GR-HA](#)).

- 2.9 There is ample evidence on the impact of cash transfers on poor and vulnerable families in terms of increased consumption, better nutrition, school attendance, reduced child labor and the increase in the use of health services (see Social Protection and Poverty Sector Framework (GN-2784-12)). Also, recent evidence found that cash transfer programs were associated with significant reductions in mortality among children under five years of age and women.²⁸ Specifically to cash-for-work in fragile contexts, rigorous evaluations document that these programs have positive results in terms of providing small scale needed infrastructure and additional income to facilitate projects participants' access to everyday needs such as food, medicine, but also education.²⁹ Moreover, the community-driven approach to cash-for-work fosters development at local level and promotes social cohesion, while ensuring alignment with community needs and keeping youngsters away from gangs.³⁰
- 2.10 In the case of Haiti, monitoring and evaluation data from the IDB-funded interventions in Cité Soleil and Martissant, implemented by the NGO AVSI, show that transfers are effective to improve the nutrition scores of households.³¹ Furthermore, the most effective modalities have been identified: for instance, transfers made to female-headed households result into a bigger improvement in the nutrition score.³² Regarding the community-driven cash-for-work programs, qualitative analysis confirms increased community participation and ownership.³³ Evidence of impact of the IDB-funded social protection interventions is available [here](#).
- 2.11 Regarding the provision of essential healthcare services, the direct supply of basic healthcare services under a conditional cash transfer modality (CCT) plays a crucial role in promoting population health and addressing health inequalities, especially in those contexts where services might be limited, while providing

²⁷ Using an adaptive approach, the specific zones of intervention will be established at kick-off of implementation based on (i) the evolution of food insecurity, (ii) the interventions of other donors. This will allow to target food insecure areas that are not yet receiving any assistance.

²⁸ <https://www.nature.com/articles/s41586-023-06116-2>

²⁹ [Literature resources on cash-for-work Programs in Fragile Settings](#)

³⁰ [Literature resources on Community Driven cash-for-work](#)

³¹ [See the results reported by AVSI.](#)

³² [Evaluation results of the social protection portfolio in Haiti.](#)

³³ [Lessons learned from cash-for-work programs](#) under [4657/GR-HA](#).

incentives for accessing such services. Ensuring availability and access to essential healthcare services, helps in early detection and management of diseases, reducing morbidity and mortality rates.³⁴

- 2.12 In the case of Haiti, monitoring and evaluation data from the IDB-funded interventions in the metropolitan area of Port-Au-Prince, implemented by GHESKIO, show that beneficiaries better comply with therapy, that beneficiary women report a decrease in GBV cases, and that beneficiaries increase their ability to eat more than once a day, among other results. More details [here](#).
- 2.13 **Strategic alignment.** The program is consistent with the Second Update to the Institutional Strategy (AB-3190-2) and is strategically aligned with the development challenge of Social Inclusion and Equality by providing transfers through conditional cash transfer programs. The program is also aligned with the cross-cutting themes of: (i) Climate Change, (ii) Gender Equality and Diversity; and (iii) Institutional Capacity and Rule of Law by providing transfers and services to women and PWD and strengthening the institutional capacity to target and support the most vulnerable. Additionally, the program will contribute to the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12) by increasing the number of beneficiaries of targeted anti-poverty programs. It is also aligned with the Haiti Country Strategy 2017-2021 (GN-2904) which is in effect, as it contributes to Render key services more accessible to enhance human development and is relevant to the country development challenge of inclusion and poverty; with the Sector Framework on Social Protection and Poverty (GN-2784-12); with the Sector Framework on Health (GN-2735-12); with the Sector Framework on Food Security (GN-2825-8); with the Sector Framework on Gender and Diversity (GN-2800-8) and Gender and Diversity Action Plan 2022-2025 (GN-3116-1) . The operation is also aligned with the government's *Plan De Relance Economique Post Covid-19* (PREPOC) (2020- 2023),³⁵ and with the government's *Politique Nationale de Protection et Promotion Sociale* (PNPPS).³⁶
- 2.14 This operation has been reviewed using the Joint Assessment Framework for Paris Alignment and the IDB Group PAIA (GN-3142-1); it is considered universally aligned to both the mitigation and adaptation goals of the Paris Agreement.
- 2.15 The general objective of the operation is to tackle food insecurity among vulnerable populations in Haiti and improve use of preventive or curative health services. The specific objectives are: (i) contribute to food security and climate resilience through transfers conditional to community-driven cash-for-work programs;³⁷ (ii) improve health access through increased supply of and access to preventive and essential healthcare services incentivized by transfers; and (iii) strengthen the institutional capacity of the government to target the most vulnerable through the expansion of SIMAST, and manage social protection interventions through the use of Commcare.

³⁴ [Additional resources on the provision of healthcare services.](#)

³⁵ <http://prepoc.setunivers.com/>

³⁶ https://socialprotection.org/fr/discover/legal_policy_frameworks/ha%C3%AFti-politique-nationale-de-protection-et-promotion-sociales

³⁷ Haiti's vulnerability is due, also, to its exposure to climate shocks which is one of the drivers of food insecurity. Transfers to cope to with the current food insecurity allow beneficiaries to cope with the current shock through temporary income that supports food consumption.

- 2.16 **Component 1 – Improved food security through conditional cash transfers. (US\$28M).** This component targets food insecure areas with the highest levels of IPC classification as well as some areas that are particularly exposed to climate shocks. The component will finance transfers conditional to the participation into small works for the creation, restoration, and maintenance of community assets, as well as the development of small and basic infrastructure.³⁸ Within these areas, targeting criteria will be applied to identify the most vulnerable. Beneficiaries will receive transfers for a period of 3 to 6 months, depending on the magnitude of the project identified by the community and to which they are assigned. In particular, the component will finance: (i) targeting, identification, and selection of the beneficiaries; (ii) selection and prioritization of small works, and the required materials and supplies; (iii) delivery of the transfers; (iv) registration of all beneficiaries; (v) trainers; (vi) administration fees (salaries, supervision costs, bank fees, among others), charged by the operators; and (vii) operational costs charged by the National Identification Office (ONI, by its acronym in French) to support the issuing of IDs to beneficiaries.
- 2.17 **Component 2 – Improving Health through Conditional Cash Transfers (CCT) and essential services. (US\$16.9M).** This component funds the provision of cash transfers conditional to the compliance with preventive or curative healthcare programs and the provision of essential healthcare services.³⁹ Based on lessons learned from the current portfolio, beneficiaries are expected to receive transfers for a period of 3 to 6 months, depending on the healthcare treatment they need; they are expected to be mostly women and their dependents, as well as vulnerable older persons and PWD; participating beneficiaries will be from target areas that can be reached and assisted by the network of Partners in Health (PIH) and GHESKIO centers; targeting criteria will be applied to identify the most vulnerable. Funding from this component will cover: (i) the targeting, identification, and selection of beneficiaries; (ii) needs and health assessment for the beneficiaries of the CCT program; (iii) the CCTs; (iv) the preventive or curative essential healthcare services; (v) the registration of all beneficiaries and the monitoring of the intervention through the Commcare-based system; (vi) operational costs charged by the ONI to provide IDs; and (vii) the administration fees (salaries, supervision costs, bank fees, among others) charged by the implementing operations.
- 2.18 **Component 3 – Institutional Strengthening through the expansion of SIMAST and the scaling up of the use of Commcare. (US\$2.5M).** This component funds institutional strengthening activities, such as: (i) the hiring of WFP for the expansion of the SIMAST coverage; (ii) the hiring of DIMAGI to scale up the use of Commcare-software; and (iii) training activities for FAES personnel.
- 2.19 **Project management, monitoring and evaluation (US\$2.6M).** The project will finance: (i) operational costs of the Executing Agency including personnel, field

³⁸ In line with [HA-J0005](#), the operation will establish an updated “menu” of eligible small works, so to guide the consultative process with the targeted. An example of eligible small works, from operation [HA-J0005](#), is available [here](#).

³⁹ These will include as emergency services, transfusion services, GBV-related services, and gender-specific services at La Paix hospital and other locations outside Port-Au-Prince to be identified.

supervision costs, equipment, communication and outreach activities; (ii) annual financial audits; (iii) a midterm term review;⁴⁰ (iv) impact evaluations.

- 2.20 **Expected results.** Several results will be measured including: (i) improvement of the nutrition score and food consumption of the household with a family member receiving transfers; (ii) improvement of health indicators of beneficiaries; and (iii) SIMAST coverage expansion.
- 2.21 **Financing instrument.** The proposed operation is financed by the IDB Grant Facility (GRF) for US\$50,000,000 to be financed by a Specific Investment Grant. This modality is justified since its scope, costs, and works are well defined and its components cannot be divided without impacting their logic.

III. SECTOR KNOWLEDGE AND PREPARATION PLAN

- 3.1 The Project builds on the successful portfolio of four social protection operations ([4657/GR-HA](#), [5068/GR-HA](#), [5288/GR-HA](#) and [5591/GR-HA](#) and one health operation (Covid-19 Immediate Public Health Response). The main lessons learned are applied to this operation are: (i) cash-for-work programs identified through a consultative process and providing temporary income are well received by the communities, foster economic and financial inclusion, promote ownership social cohesion and improve the perception of the state; (ii) the payment of beneficiaries through mobile transfers ensures timely payments, reduces frauds, and allows automated reporting; (iii) the direct provision of healthcare service in a context of generalized fragility fill supply-side gaps; in particular, the engagement of specialized partners such as PIH, GHESKIO, and PAHO allows combining the best technical expertise with implementing capacity on a large scale; and (iv) SIMAST is an effective tool for rapidly identified the most vulnerable and Commcare allows the ongoing tracking of execution.

IV. TECHNICAL ASPECTS, ENVIRONMENTAL RISKS AND EXECUTION AND FIDUCIARY ASPECTS

- 4.1 In attention to the new Environmental and Social Policy Framework, the operation was classified as Category “C” since no significant negative environmental or social effects are to be expected. Regarding the risk of natural disasters and climate change, due to the nature of the activities and the exposure of the entire country to potential natural hazards from earthquake and extreme weather events such as tropical rains, hurricanes, and droughts (see ¶II.2.1), the project is classified as Moderate.
- 4.2 **Executing Agency.** The executing agency of the entire operation will be FAES, which has strengthened its supervisory, administrative, and fiduciary capacity in recent years, as also confirmed by the International Monetary Fund (IMF).⁴¹ FAES has successfully identified, engaged, supervised, and retained specialized operators (NGOs and specialized agencies) to implement social protection

⁴⁰ The mid-term review is expected to follow the structure of the Project Completion Report (PCR).

⁴¹ See page 7 of [Haiti: Second Review Under the Staff-Monitored Program-Press Release; and Staff Report \(imf.org\)](#)

interventions in the most challenging areas on behalf of the GoH while coordinating with all stakeholders. The operation will further strengthen the GoH's capability of targeting beneficiaries through SIMAST as well as FAES institutional capacity to implement social protection programs, beyond those funded by the IDB. Among other results, FAES has scaled up the use of Commcare for the registration of beneficiaries, automation of reporting and effective auditing, and has been strengthening its communication and transparency through a renovated site, social media channels, and quarterly bulletins; these activities will continue under this operation.

- 4.3 **Procurement aspects.** Project management will be executed according to OP- 273-12. Procurement of works, goods, and services, as well as contracts for consulting services will be executed in accordance with the Bank's procurement policies, rules, and procedures (GN-2349-15 and GN-2350-15). Single Source Selection is proposed as follows: for Component 1– CARE, Centre d'Étude et de Coopération Internationale (CECI), Panamerican Development Foundation (PADF), VIVARIO, AVSI will be hired to implement the cash-for-work activities. CARE, CECI, PADF and VIVARIO were selected competitively under [4657/GR-HA](#) and have demonstrated unique and exceptional experience implementing community driven cash-for-work projects, with an above satisfactory performance; no advantage could be obtained by further competition; AVSI was selected based on its unique and exceptional experience to implement social programs involving cash and in-kind distributions and cash-for-work in the most fragile areas of Haiti. PIH, GHESKIO and PAHO will be hired for the provision of healthcare services under Component 2. PIH, GHESKIO and PAHO have been selected because they recently implemented contracts of similar nature, involving healthcare services. WFP and DIMAGI will be hire for institutional strengthening activities of Component 3; they have been selected because they recently implemented contracts of similar nature, on the expansion of SIMAST and the deployment of Commcare software, respectively. An agreement will be negotiated with PAHO, being a UN Agency. Concerning WFP, the agreement already negotiated under [5591/GR-HA](#) will be used. There will be no exceptions to Bank rules and no retroactive financing is expected.
- 4.4 **Risks.** At this stage, six risks are identified. Political: (i) high - If there is a change in government, resulting into a change in FAES leadership, project implementation might suffer delays while the new leadership becomes familiar with the project. This risk will be mitigated by ensuring that project management and execution is assigned to the same "core team" which has been managing the other IDB-funded social protection operations at FAES; (ii) high - if socio-political unrest leads to lockdowns, fuel shortages or worse insecurity, project implementation will be delayed. This risk will be mitigated by continuing to engage specialized operators with a deep knowledge of the Haitian context. Eventually, FAES and the Bank will discuss shifting implementation to vulnerable areas where minimum security conditions are met; (iii) high – if some project personnel, as it has happened across executing agencies, leaves Haiti due to the worsening of the general situation, project implementation might suffer delays. This risk will be mitigated by ensuring that FAES is adequately staffed at all time and training and retraining on essential functions (e.g. procurement, accounting) will be conducted periodically. Financial: (iv) high - if inflation continues at the current rate, and/or if the HTG depreciates further, the cost of activities may be higher than the estimated project budget. This

risk will be mitigated by, whenever possible, signing contracts in dollars and estimating a conservative budget during project preparation. Sector-specific: (v) low - if the social protection needs worsen due, for instance, to environmental shocks, implementing operators' capacity might reach its limit resulting into implementation delays. This risk will be mitigated through the programming ahead of time of all the activities; furthermore, the selected operators have a solid track implementing large contracts and rapidly scaling operations; (vi) medium - if the donors and partners community is not coordinated in the targeting of communities and implementation modalities, tensions might arise at local level and inclusion, or exclusion errors might occur. This risk will be mitigated through continuing the close coordination among donors and partners, including the sharing of information and alignment of social protection modalities.

V. RESOURCES AND TIMETABLE

- 5.1 It is expected that the Proposal for Operation Development (POD) will be distributed on September 18, 2023, to the Operation Policy Committee. The expected date of approval of approval of the Investment Grant Proposal by the Board of Directors is November 8, 2023. The operation period will be 36 months.

Annex I - Environmental and Social Annex of the PP for Category C operations

- 1.1 In accordance with the Environmental and Social Policy Framework of the Bank, the operation was classified as Category “C” because only minimum or no negative environmental or social effects are to be expected.
- 1.2 Component 1 will focus on improving food security through conditional cash transfers to the participation of community-driven cash-for-work activities in areas that are particularly exposed to climate shocks. For instance, small works for the creation, restoration, and maintenance of community assets, as well as the development of small and basic infrastructure.¹
- 1.3 Component 2 will This component funds the provision of cash transfers conditional to the compliance with preventive or curative healthcare programs and the provision of essential healthcare services
- 1.4 Component 3 will support institutional strengthening through the expansion of SIMAST and the scaling up of the use of Commcare. This component funds institutional strengthening activities. Some activities include the hiring of World Food Program for the expansion of the SIMAST coverage and training activities for FAES personnel.
- 1.5 In order to comply with the requirements of the ESPF and especially those of the Environmental and Social Performance Standards 1, 2 and 10, during preparation any existing environmental and social management instrument in the Executing Unit and/or in the applicable local regulations will be reviewed.

¹ In line with [HA-J0005](#), the operation will establish an updated “menu” of eligible small works, so to guide the consultative process with the targeted. An example of eligible small works, from operation [HA-J0005](#), is available [here](#).

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.