Report Number : ICRR0021004

1. Project Data

Project ID	Project Name	
P106699	HT Urban CDD / PRODEPUR	
Country	**Practice Area(Lead)**	**Additional Financing**
Haiti	Social, Urban, Rural and Resilience Global Practice	P121833,P149116,P149116

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-H3940,IDA-H6210,IDA-H9730	31-Mar-2014	46,700,000.00
Bank Approval Date	**Closing Date (Actual)**	
03-Jun-2008	31-Dec-2016	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	15,700,000.00	0.00
Revised Commitment	52,963,398.86	0.00
Actual	51,141,823.89	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p. 5), the ***original project development objective*** was: "To assist the Recipient in improving access to, and satisfaction with: (i) basic and social infrastructure and services; and (ii) income generating opportunities for residents of selected Disadvantaged Urban Areas, both through a participatory process, in which community-based organizations identify, prepare and implement Urban Community Subprojects." The PDO as stated in the PAD (p.7) was slightly different (differences italicized): "To improve access to, and satisfaction with, (a) basic and social infrastructure and services, and (b) income-generating opportunities for residents of *targeted* disadvantaged urban areas. This objective will be achieved through a participatory process in which community-based organizations propose, select, implement, and

maintain subprojects."
The PAD reference to maintaining subprojects after they have been implemented is considered to be an important component of the project's development objective.
In October 2010, following the earthquake, the project was restructured with an Additional Financing. The ***revised project development objective*** was: "to improve access to, and satisfaction with: (i) basic and social infrastructure and services, *including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency*; and (ii) income-generating opportunities for residents of selected Disadvantaged Urban Areas."
This ICR Review will assess the project's development results on the basis of these two objectives:
PDO 1: To improve access to and satisfaction with basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency
PDO 2: To improve access to and satisfaction with income-generating opportunities for residents of selected disadvantaged urban areas.
The mechanism for achieving both PDOs is a participatory process in which community-based organizations identify, prepare, and implement urban community sub-projects.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
06-Oct-2010

c. Will a split evaluation be undertaken?
No

d. Components
There were three original components (ICR, p.7):
1. Community Subproject Funding, Management, and Support (Appraisal: US$13.5 million, of which the local community contribution was US$0.80 million; 2nd AF: US$5.9 million; Closing: US$17.7 million) financed all costs related to the implementation of community and municipal subprojects. Activities included:

- Financing of small-scale socio-economic infrastructure and productive/income-generating subprojects identified either by community-based organizations (CBOs) or jointly by CBOs and municipal governments, and later prioritized by representative Community-Driven Project Development Councils (COPRODEPs) as a function of available resources under the project;
- Contracting of service providers or *Maitres d'Ouvrage Delegue* (MDOD) to mobilize CBOs to participate in the project, and to provide the necessary training and technical assistance to CBOs in the

preparation and subsequent execution of subproject investments.

2. Capacity-Building and Technical Assistance (Appraisal: US$0.90 million; 2nd AF: US$0.25 million; Closing: Total of Components 2 & 3 was US$7.7 million) financed soft activities related to the implementation of community subprojects. Activities included:

- Training-of-trainer activities in basic management, administration, accounting, and financial management for Project Development Councils (COPRODEPs) and municipal government officials;
- Capacity building and technical assistance to strengthen governance, participatory development, supervision, and coordination capacity at the municipal-government level and to relevant ministerial staff;
- Workshops with MDODs to harmonize practices to accompany CBOs and COPRODEPs in carrying out activities under Component 1;
- Training of the Project implementing agency, Office of Monetization of Development Aid Programs (*Bureau de Monetisation des Programmes dAide au Developpement* - BMPAD) to effectively supervise overall project implementation;
- Various consultant services, including possible preparation of future operations and assessment of ways through which the Haitian Diaspora might be mobilized to finance and provide technical expertise to community subprojects; and,
- Policy dialogue to engage GoH and other relevant stakeholders on a medium- to long-term national strategy to facilitate the mainstreaming of the urban community-driven development (CDD) approach and mechanisms.

3. Project Administration, Supervision, and Monitoring and Evaluation Component (Appraisal: US$2.1 million; 1st AF: US$0.9 million; 2nd AF: US$0.65 million; Closing: Total of Components 2 & 3 was US$7.7 million) financed all costs associated with project implementation, administration, supervision, and monitoring and evaluation by BMPAD, which operates under the oversight of the Ministry of Economy and Finance
A fourth component was added at the time of the first Additional Financing (ICR, p.9), which came to be known as PRODEPUR Habitat:.
4. Housing Repair and Reconstruction (1st AF: US$29.1m; 2nd AF: US$0.7m; Closing: US$25.4m) consisted of four sub-components:

- Debris removal aimed to finance the removal of about 60,000 m3 of debris from selected Urban Community-Driven Development Project (PRODEPUR) project areas, through, *inter alia*, the recruitment of contractors and the implementation of cash-for-work programs;
- Cash Grants for Housing Repair and Reconstruction aimed to finance the provision of a total of about 5,000 cash grants to qualified beneficiaries in selected PRODEPUR project areas for owner/resident-driven (i) repair of houses assessed as structurally solid (yellow tag houses), or (ii) on-site reconstruction of houses either destroyed or damaged beyond repair (red tag houses). The 2011 restructuring introduced a rental grant and a relocation grant to cover transportation and logistics cost under the definition of Cash Grants to allow renters to cover the cost of movement to their original or a new home.
- Community Infrastructure Repair and Improvement aimed to carry out of repairs and improvement of community infrastructure including, *inter alia*, roads, walkways, drainage ditches and channels, solid

waste management, water supply systems, sanitation facilities and related equipment.

- Advisory Services aimed to finance international and local technical assistance and consulting services required for, *inter alia*: (i) the design and implementation of community-based mapping exercises of the project areas; (ii) the establishment and implementation of conflict-resolution mechanisms related to project activities; (iii) the development of neighborhood-level urban plans and risk maps; (iv) the supervision of construction activities; (v) the provision of training with respect to, *inter alia*, new building codes and techniques; (vi) the establishment and operation of community reconstruction centers (CRCs); and (vii) the provision of technical assistance for the preparation of medium and long term urban development and housing strategies and associated policy and administrative measures.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Costs: The actual final project cost was US$50.8 million, coming in under the cumulative project estimate the original appraisal plus two additional financings (AF) - of US$53.3 million. The original appraisal estimate was US$15.7 million. The first AF, in October 2010, was a response to the 2010 earthquake, adding US$30 million to cover costs for a new housing repair and reconstruction component (US$29.1 million) plus additional funds for project management (US$0.9 million) to implement this component. The second AF, in June 2014, added US$7.5 million to scale up urban community subprojects (ICR, p.xii).
Financing: The project was financed by an IDA grant of US$50.8m, or 95% of the cumulative estimate. The project occurred losses in total financing due to exchange rate fluctuations (ICR, p.34).
Borrower contribution: Local communities contributed US$0.8 million towards community sub-projects.
Dates: The project underwent two additional financings and three restructurings (ICR, p.xi-xiii):

- October 2010, first AF: An additional financing of US$30 million was approved in the aftermath of the 2010 earthquake to finance housing repairs, reconstruction and community infrastructure improvements in two of the neighborhoods covered by the project. The PDO was revised to cover these additional activities.
- October 2011, first restructuring: This level 2 restructuring permitted the project to provide rental and relocation grants to help internally-displaced households move out of camps and into homes.
- March 2014, second restructuring: This second level 2 restructuring shifted resources away from the reconstruction of private housing to public infrastructure and public multifamily housing. One of the key outcome indicators was clarified as two separate indicators (see section 4 below) The closing date of the project was also extended by 15 months from March 31, 2014 to June 30, 2015 to allow sufficient time for implementation.
- June 2014, second AF: A second additional financing of US$7.5 million was approved to scale up urban community subprojects. The closing date was also extended by 12 months from June 30, 2015 to June 30, 2016 to allow sufficient time for the completion of additional activities.
- May 2016, third restructuring: This third level 2 restructuring further modified key performance indicators to better capture results based on the outcome of the baseline study, which was completed three years after project start. The closing date was also extended by a further six months from June 30, 2016 to December 31, 2016 to accommodate delays caused by the postponed December 2015

presidential run-off election.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The objectives were priorities for both the government and World Bank at the time of appraisal/AF:

- 2007 Government of Haiti (GoH) National Growth and Poverty Reduction Strategy Paper (DSNCRP): job creation and improving delivery of basic services (FY09-FY12 Country Assistance Strategy (CAS), p.13)
- FY09-FY12 World Bank CAS (p.19): promoting growth and local development; investing in human capital; reducing vulnerability to disasters

The revised objective was also a priority in both government and World Bank priorities at the time of closing:

- 2012 GoH Strategic Development Plan for Haiti (PSDH): job creation and basic service provision (FY16-19 Country Partnership Framework (CPF), p.17), and rapid response to basic needs (ICR, p.19)
- FY16-FY19 World Bank CPF: job creation (p.24), access to quality services (p.29)

At the time of appraisal, socio-economic conditions in certain urban areas were dire. High rural-urban migration rates had not been matched by job growth or investment in basic infrastructure and services. The consequences of such demographic pressures were evident in high unemployment, acute poverty, and malnutrition; inadequate access to safe water and sanitation; and an absence of law enforcement. State capacity to respond to these challenges was weak, hampered by a lack of human and financial resources. Moreover, long-term neglect and corruption fed the populations resentment and mistrust of government institutions. (ICR, p.2). The objectives of improving access to and satisfaction with basic services and income-generating opportunities appropriately reflect this context. The use of the term satisfaction in the PDO allows for a proxy measure of use, although the PDO could have included references to the quality of the infrastructure and services that were being financed.
In January 2010, a 7.3 magnitude earthquake sparked one of the worst natural disasters in the Western Hemisphere in half a century. In addition to a staggering loss of life, the March 2010 Post-Disaster Needs Assessment (PDNA) described severe damage to infrastructure in the key urban areas surrounding the capital. Nearly 1.5 million people were forced to seek shelter in temporary tent camps. An Additional Financing in October 2010 appropriately sought to address the new context by adding an element of reconstruction to the PDO. The revision of the PDO, in response to the earthquake, through the addition of activities related to the need for *housing repair, reconstruction and community infrastructure improvement* was relevant and in line with the client's emergency and citizens' urgent needs. However, as the project would learn, the aim of conducting housing repair was less relevant than the reconstruction of community infrastructure since most of the displaced were renters.

Rating **Revised Rating**

Substantial	Not Rated/Not Applicable

b. Relevance of Design

Given the state's weak capacity to deliver services, the government decided to use a community-driven development (CDD) approach that would provide communities with the decision-making authority and financial resources necessary to spur job creation and improve living conditions. CDD was also viewed as a way to strengthen collaboration and trust between local governments and their constituencies. (ICR, p.2). Design was appropriately adjusted when the earthquake hit to add emergency response activities to the original PDO and project design.

The design change at the time of the Additional Financing (AF) incorporated lessons from successful post-disaster reconstruction projects financed by the Bank in Haiti, Indonesia, Pakistan and India. The preparation of the first AF did not have baseline data on property ownership and land tenure of the internally displaced people, given the scale and urgency of the reconstruction needs following the earthquake that resulted in lack of housing for 1.3 million people. (In the first place, land tenure and property tenure issues in Haiti are highly intricate and complex, and an official cadaster is not available for the consistent mapping, surveying, zoning and titling of land and property in the country.) In light of the emergency situation, and based on OP 8.00 as well as the Bank's guidance for FCV and crisis conditions, the Bank recognized the need for speed and flexibility in designing a rapid response, and thus agreed to urgently process the AF without the baseline data on property tenure and housing ownership profile of the affected people. In any event, most people had no documents after the earthquake and the presence of rubble everywhere prevented such data collection. As the institutional context and Government priorities evolved, the Project's design was rapidly adjusted at the first restructuring in October 2011 (eight months after effectiveness) to include a Rental Cash Grant. This example demonstrates the incorporation of prior lessons learnt in restructuring the Project's design. Another example is the Project's focus on communities, not on individuals and private enterprise, as a deliberate design feature that was grounded on previously successful project interventions and their underlying evidence, i.e., the Rural CDD Project (PRODEP) and the Urban CDD Pilot Project (PRODEPAP).

Regarding the Results Framework, there were clear pathways linking the project's activities to its outcomes and over-arching objectives. There were four PDO indicators to monitor access to four clearly identifiable areas of basic services (water, sanitation, drainage and social infrastructure) and two PDO indicators to track operational viability of productive sub-projects. One shortcoming is the absence in the diagram of institutional capacity factors along the causal chain; however, institutional issues were amply discussed in the ICR text.

Rating	Revised Rating
Substantial	Not Rated/Not Applicable

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To improve access to and satisfaction with basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency

Rationale

Outputs

- 521 sub-projects, of which:
  - basic services infrastructure sub-projects, including but not limited to:
    - 38 water sub-projects
    - 87 sanitation sub-projects
    - 178 street rehabilitation sub-projects: 22.28km of road rehabilitated
  - social sub-projects, including but not limited to:
    - 40 schools/education centers rehabilitated
    - 5 health centers rehabilitated
    - 43 social & recreational spaces
  - Over 800 training sessions on 60 topics, benefitting 16,000 people (of which, 6,700 women)

Reconstruction

- 39 urban upgrading subprojects, including:
  - 28 improved street infrastructure sub-projects
  - 3 ravines protected and cleaned
  - two water kiosks, laying of 2,900 meters of water piping, and construction of 11 community latrines
  - 3 schools, 2 health centers, 1 community center, and 1 greenspace rehabilitated
- 474 streets lamps
- 63 multi-family housing units and 3 new homes
- rehabilitation of 1,404 damaged homes
- distribution of rental and relocation grants to 563 displaced families
- removal of 42,800m3 of debris
- Over 380 training sessions were provided on construction practices

<u>Outcomes</u>

- Access to water in in disadvantaged urban areas that selected such subprojects increased from 74.33% to 84.5% (an increase of 10.17 percentage points), exceeding the final revised target of 76.7%
  - 61,501 people have benefited from improved access to water (96.7% of the 63,650 target)
- Access to sanitation in disadvantaged urban areas that selected such subprojects increased from 27.91% to 33.22% (an increase of 5.31 percentage points), meeting the final revised target of 33.44%
  - 2,729 people benefited from improved sanitation

- Access to rehabilitated street and drainage infrastructure in disadvantaged urban areas that selected such subprojects increased from 26.40% to 49.45% (an increase of 23.05 percentage points), exceeding the final revised target of 35.40 %
- Access to social infrastructure and services in disadvantaged urban areas that selected such subprojects increased from 56.53% to 74.99% (an increase of 18.46 percentage points), exceeding the final revised target of 66.43%
- Over 8,800 residents returned to their original neighborhoods (either their original repaired house or another house)

While the ICR (p.20) reported that all residents (one million people) of targeted municipalities saw an improvement of living conditions, the evidence to support that claim is tenuous. A beneficiary review was conducted but it covered less than 4% of the reported 400,000 beneficiaries. Both the baseline (completed three years into the project) and targets were revised on multiple occasions. Mechanisms for ensuring operations and maintenance of sub-projects are not elaborated on in the ICR, a common challenge in CDD projects that should have been directly addressed. Attribution could also be stronger, since there were many other organizations providing assistance during the project period. The TTL clarified that, as a coordinator of the recovery, the World Bank strove to collaborate with other organizations in order to provide complementary, non-duplicative assistance. Therefore, in some areas, there were indeed multiple stakeholders working together to restore services. The ICR could have further elaborated on this point.

Rating
Substantial

Objective 2
Objective
To improve access to and satisfaction with income-generating opportunities for residents of selected disadvantaged urban areas.

Rationale
Outputs

- 43 cash-for-work sub-projects, focused on debris removal, were launched for a total of about US$850,000, which included labor costs as well as costs associated with mobilizing heavy machinery and transportation, which were high in the post-disaster context (information provided by the TTL)
- 131 income-generating sub-projects (community stores, bakeries, crafts, water kiosks, etc.)

Outcomes

- 275,000 person days of employment provided by productive subprojects & construction sites of infrastructure subprojects
  - 6-17% (depending on the area) of beneficiaries hired for subproject execution

- 2% of reconstruction beneficiaries were able to start a business from this income
- 12% of income-generating sub-projects operational after 6 months (target was 80%)
- 5,000 person days of cash-for-work opportunities provided for debris removal

There were a number of challenges pertaining to this objective. The level of intervention largely depended on community demand, and as it turned out, most communities did not request these type of investments: only 5% of overall project financing was represented by this objective (ICR, p.23). Execution of those subprojects that were proposed and ultimately selected was also problematic due to weak subproject designs, lack of resources for operations and maintenance, and CBOs low management capacity (ICR, p.19). Therefore, while some jobs were created, they were mostly temporary. In addition, the single outcome indicator included in the RF was insufficient to properly measure achievement of this PDO.

Rating
Modest

5. Efficiency

Due to the demand-driven nature of sub-projects, estimations of cost-effectiveness, economic rate of return, and fiscal impact were not calculated at appraisal. An IRR for two subprojects was calculated at the time of the second AF: 30% for a water supply sub-project and 75% for an electrification sub-project. A baseline was planned to be completed within six months of project effectiveness, but instead took three years due to limited M&E capacity in the project implementing unit, BMPAD.

At project closure, the NPV was calculated to be US$14.9 million using a discount rate of 6%, the economic internal rate of return 31%, and the cost-benefit ratio 1.4. This analysis was calculated for 2008 to 2026 (project start to 10 years after project close). This time frame was based on the assumption that some benefits will accrue after the project and that all assets will be properly operated and maintained an unlikely scenario (see section 7 below). Land value and the cost of land purchases necessary for urban/transport development was excluded from the analysis. The analysis was based on five benefits: reduced incidence of cholera, appreciation of land value, reduced losses due to floods, rental value of repaired houses, and improved water and sanitation. The economic analysis was mainly based on international benchmarks and benefit transfers due to the lack of monitoring indicators.

Financial returns for productive subprojects were not estimated due to the limited number that were successful (ICR, p.41). CBOs contributed in-kind, often over US$2,000 per sub-project (ICR, p.49). In this way, returns on subprojects were negligible overall but also effectively made beneficiaries worse-off due to the lost investment.

The project was implemented over 8.5 years, with project closing extended by nearly three years, primarily to accommodate the two AFs. At closing, 99% of funds had been disbursed (ICR, p.24). Some delays were experienced due to weak implementing agency capacity (see section 9 below), beneficiaries weak project management capacity (ICR, p.vii), political instability and community conflict (ICR, p.14), and natural disasters (ICR, p.14).

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐Not Applicable
ICR Estimate	✓	31.00	100.00 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives is rated substantial. The relevance of design is also rated substantial. Achievement of PDO 1 is rated substantial, although satisfaction - a proxy for quality and use - was not adequately measured. Achievement of PDO 2 is rated modest, since the project made very little impact in the form of income-generating opportunities. Efficiency is rated modest, due to weak evidence: there was no efficiency analysis conducted at appraisal and the baseline was only completed three years after project start; there was also a lack of monitoring indicators and the economic analysis was based on international benchmarks. The overall outcome rating for the project is moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

There are a number of risks to the project's outcomes.
The primary risk is related to the sustainability of sub-projects, due to the limited fiscal and technical capacity of municipal governments to operate and maintain these assets. While donors and the central government have made and continue to make efforts to improve local government capacity, the risk that assets will fall into disrepair remains high. Moreover, the limited involvement of local authorities in subprojects (as suggested by comments from the borrower included in the ICR, p.51) suggests that the sense of ownership necessary to manage and maintain subprojects may also be lacking. There is also high risk that benefits accrued from

capacity building activities will not be maintained without reinforcement. (ICR, p.27)
Notably absent in the ICR are the persistent risks due to Haiti's political fragility and exposure to natural disasters. Progress has been made in both domains in recent years, but not enough to minimize these risks. Another major disaster could damage infrastructure, while a period of instability could interrupt use of that infrastructure.

a. Risk to Development Outcome Rating

High

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank leveraged lessons learned from CDD projects conducted in Haiti to design the project, most notably the need for complementary capacity building activities and the importance of sound technical design of subprojects. (ICR, p.11-12)
Some elements of project design hinted at inadequate due diligence and preparation. The many challenges pertaining to achievement of the second half of the PDO (job creation) in particular the fact that many communities did not select income-generating sub-projects demonstrate a lack of understanding of the context that resulted in a mismatch between approach and end-goal. Preparation of the AF and its associated project activities stretched the capacity of BMPAD, which was also supporting two other Bank-financed projects. This negatively affected implementation of the original CDD activities (ICR, p.14). Indeed, lack of government and implementing agency capacity were repeatedly cited in the ICR as challenges to project implementation. The Bank could have foreseen these problems and increased efforts to support the government and BMPAD, or otherwise scaled down activities to better fit the context.

Otherwise, the GoH commented that many of the delays related to disbursement were mostly due to strict internal control measures necessary to ensure compliance with Bank procedures (ICR, p.53). This suggests either that the Bank was not appropriately flexible, or that the Bank did not take the necessary steps prior to project implementation to ensure that the implementing partner was prepared to comply with such measures in a timely manner.

The results framework and M&E indicators also could have been better elaborated to measure achievement of the second half of the PDO.

Most risks were accurately identified, with the surprising exception of the risk related to natural disasters. The earthquake and several other natural disasters impeded project implementation. Political instability and community insecurity were accurately assessed as high risks at appraisal, and these were indeed obstacles to efficient and effective project implementation (ICR, p.14). It is unclear whether the Bank could have done more to fully mitigate these risks, or if these were effectively out of the Bank's control.

The significant shortcomings presented here are further reflected by the many restructurings the project underwent.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

While quality-at-entry had significant shortcomings, supervision demonstrated an overall strong initiative to respond to the many project learnings and changing conditions. Still, there were many challenges in implementation and the Bank did not adequately respond to all.

Project restructurings demonstrated commitment to improve design based on project learning. When it became clear that the vast majority of beneficiaries were renters and not homeowners, the project was appropriately re-designed to allow for the distribution of rental grants, as well as relocation grants to cover transportation and logistical costs associated with moving into permanent housing. A second restructuring again updated design based on project learning: public investments were more effective to stimulate private reconstruction than reconstruction grants (though the ICR did not cite the source for this claim), so resources were transferred from private housing reconstruction to support new multifamily housing and neighborhood infrastructure (ICR, p.10-11). Findings from the mid-term review were leveraged to scale-up sub-projects through a second AF (ICR, p.29). Unfortunately, this same level of initiative was not used to address the challenges pertaining to the income-generating side of the PDO.

The second and third restructurings also attempted to improve the results framework and streamline M&E (ICR, p.6-7), which was further supported by significant efforts in providing close M&E supervision, which did not fully resolve the issues with M&E implementation (see section 10b below). In addition, as underlined by the ICR, the indicator to measure the second part of the PDO should have been reformulated. (ICR, p.29)

High insecurity in certain neighborhoods caused travel restrictions and hampered supervision efforts. The ICR did not discuss how these challenges were managed to effectively supervise project activities.

There were also challenges pertaining to the application of efforts to ensure technical quality of works. As a result, the Bank provided BMPAD with technical assistance to improve its capacity to effectively monitor MDODs and subprojects. This resulted in a revised organigram that improved subproject implementation. (ICR, p.29)

Otherwise, the GoH noted a grievances pertaining to Bank supervision: some delays in disbursement were the result of "lengthy processing of certain No-Objection requests by the Bank"; and, when BMPAD had difficulty enforcing MDODs compliance with M&E requirements, "requests for Bank support in this regard did not result in concrete solutions" (ICR, p.53).

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The Government of Haiti, working with the United Nations Stabilization Mission (MINUSTAH), was supportive to reduce crime and violence, easing the project context. GoH also provided necessary institutional support (guidelines, mechanisms, clearance, etc.) to the project and ensured all subprojects were completed by project close (ICR, p.30).
However, limited capacity overall was a hindrance to the project. In particular, technical design, supervision, and implementation of physical works was challenging, and therefore the project relied heavily on the three international MDODs. The earthquake strained the governments already limited capacity, as attention and resources were diverted to emergency response and civil servants disappeared. The absence of a national housing policy was also an impediment to project implementation. (ICR, p.14, and interview with the TTL)

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

The key implementing agency was the Office of Monetization of Development Aid Programs (*Bureau de Monetisation des Programmes d'Aide au Dveloppement* or BMPAD). Several other national and local government authorities were also involved in project implementation, but their roles were not discussed in detail in the ICR.

At appraisal, thanks to its experience with Bank projects, BMPAD was considered to have satisfactory capacity in procurement, disbursement, and financial management. (ICR, p.13) There were many challenges during implementation, however.

BMPAD's limited technical capacity meant that the project had to rely heavily on the three international MDODs to carry out all CDD subprojects and reconstruction activities (ICR, p.14). The agency also had limited capacity in M&E, which affected M&E implementation and utilization. Insufficient supervision of subproject implementation was also noted. Recordkeeping was improper, and pre-earthquake data therefore needed to be cross-checked with the MDODs (ICR, p.16-17). The ICR also noted long delays in the submission of financial reports, poor cash flow management during project closing (ICR, p.18), and challenges in procurement and safeguards compliance (ICR, p.30).

Like the rest of the government, BMPAD's resources were severely overloaded in the aftermath of the earthquake. This was exacerbated by the additional work required to prepare for reconstruction activities called for under the first AF. In response, with support from the Bank, BMPAD made efforts to expand its human resources and expertise, and also reorganized to streamline project supervision. (ICR, p.29-30)

Implementing Agency Performance Rating
Moderately Unsatisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design
M&E design included standard tools, such as a Management Information System (MIS), a baseline survey to be done within the first six months (which actually took 3 years), semi-annual technical audits, and regular M&E reports. Data for M&E was to be derived from service providers. (ICR, p.16).

While the initial RF was ambitious in its attempt to be thorough, some indicators would have been difficult to measure or lacked a clear definition. In addition, outcome indicators oriented toward public services focused exclusively on access; indicators aimed at measuring quality, use, or sustainability were absent. A usage indicator would have been especially relevant given the PDO focus on satisfaction, which was only to be measured by beneficiary perceptions. There was also very little to measure improvements in income-generating activities: only one outcome indicator, which focused on the number of self-sustaining sub-projects six months after operations began. An indicator on the number of jobs created would have been more relevant, for example.

b. M&E Implementation
M&E implementation suffered due to weak and over-stretched capacity within BMPAD: the MIS only become operational during the second half of the project; the baseline survey was completed nearly three years after project start; and there were challenges aligning service providers reporting with the M&E system. Biannual and annual reports were submitted on-time, and quality improved from 2012. Records from before the earthquake were not well archived and therefore data needed to be cross-checked with service providers. (ICR, p.16)

These challenges resulted in limited reliable evidence for project efficacy (see section 4 above).

c. M&E Utilization
The ICR (p.17) indicated that M&E data was incorporated into regular project reports and used to inform the design of the additional financings and restructurings. However, it was also noted that BMPAD was unable to fully leverage the M&E system, due to the agencys difficulty in getting regular, timely data from MDODs (ICR, p.53).

M&E Quality Rating
Modest

11. Other Issues

a. Safeguards
The project was rated Category B. The PAD only noted that safeguard policy Environmental Assessment (OP/BP 4.01) was triggered. An Environmental Management Framework (EMF) was developed at the time of appraisal and included environmental screening for sub-projects. The ICR also noted that safeguard policies Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP 4.12) were triggered. An updated Environmental and Social Management Framework (ESMF) was done at the time of the first Additional Financing, along with a Resettlement Policy Framework. BMPAD had a designated Environmental and Social Unit to look after these issues, and training was provided to other project stakeholders. Bank supervision of safeguards was done through separate biannual reports and social and environmental audits (ICR, p.29).

Some challenges were encountered: unsafe working conditions, unsupervised disposal of worksite waste, and the use of non-native species. In addition, an audit concluded that all project-affected people were compensated, but that failure to consider household size and vulnerability meant that compensation may not have been adequate in all cases. The ICR did not discuss implementation of OP 4.11 Physical Cultural Resources. (ICR, p.17-18)

b. Fiduciary Compliance
Financial management: The ICR rated FM as moderately unsatisfactory: while all funds were accounted for satisfactorily, there were long delays between the provision of advances and full accounting of spending. This interfered with project monitoring. Delays stemmed from poor planning and poor cash flow management. The Bank ultimately provided support to ensure that all suppliers were paid and all accounts were fully documented, but not until nearly six months following project closure. (ICR, p.18)
The GoH commented that disbursement delays were mostly due to strict internal control measures necessary to ensure compliance with Bank procedures, as well as lengthy processing of certain No-Objection requests by the Bank (ICR, p.53)

Procurement: The ICR rated procurement as moderately satisfactory. Procurement management was weak due to: low staff capacity and high staff turnover, procurement delays, poor contract management resulting in multiple amendments and cost overruns. (ICR, p.18)

c. Unintended impacts (Positive or Negative)

The project's reconstruction efforts contributed to an increase in institutional capacity in the housing sector. Together with another Bank-funded on housing reconstruction (PREKAD), the project supported the creation of the Unit for Construction of Housing and Public Buildings (UCLBP) within the office of the Prime Minister, which developed Haiti's first-ever housing policy. UCLBP also implemented the Rental Support Cash Grant Program (RSCG). PRODEPUR's rental cash grant was a subset of this national program, which became a model for donor efforts in moving IDPs to safe housing. Local authorities have also been trained on the RSCG Operational Manual, to support their efforts to administer RSCG programs. In fact, the Bank and other donors published a report summarizing findings and lessons from the RSCG experience to serve as guidance for similar efforts in other countries. An operations manual for the management of social housing was also developed as a result of the project, as well as neighborhood level urban plans. (ICR, p.22,26; information provided by the TTL)

Though not measured, the ICR also reported that the project contributed to better governance and accountability from increased collaboration between communities and local governments (p.21), as well as increased institutional capacity in construction and disaster risk management (p.22).

d. Other

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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Substantial	High	The viability of sub-project sustainability is uncertain, given unclear mechanisms for O&M post-project closure. There are also many contextual risks - political instability, community insecurity, and natural disasters – that could threaten the project's outcomes.
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		Modest	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

The following lessons were synthesized based on the lessons reported in the ICR (p.31-33) and IEGs own assessment:

- **Productive subprojects supported by CDD require feasibility studies related to human and financial capital, business 'know-how, including financial literacy, and a conducive enabling environment, including technical assistance.** In this project, only 12% of the 131 productive subprojects were still operating after six months, mostly due to inappropriate design and lack of human and financial resources. A main risk to the socio-economic infrastructure that was developed by PRODEPUR is sustainability, due to limited ownership of local authorities and lack of human and financial resources for operations and maintenance.

- **Post-disaster housing support must be flexible enough to support the diverse needs of IDPs, who may be renters or property owners, and who have varying degrees of attachment to their original neighborhoods.** The project initially called for reconstruction and rehabilitation support, which is only appropriate for property owners. This had to be completely redesigned once it was realized that 80% of potential beneficiaries were renters. Polling also revealed that potential beneficiaries were more willing to move elsewhere than the project had originally assumed.

- **Post-disaster investments in public neighborhood infrastructure can incentivize private investment in reconstruction.** Project experience demonstrated that investments in public infrastructure were more effective to stimulate private reconstruction than reconstruction grants. The project was restructured to reflect this finding (though concrete evidence was not provided).

- **CDD projects can set a strong foundation for disaster response efforts.** The original CDD activities conducted under PRODEPUR allowed communities to rapidly mobilize human and financial resources to respond to the post-earthquake emergency.

14. Assessment Recommended?

Yes

Please explain

Yes. An assessment is recommended due to the weak evidence provided in the ICR, and the major disagreement between the ICR ratings and those found by this assessment.

15. Comments on Quality of ICR

Overall, the ICR was candid in conveying the many challenges the project experienced throughout implementation. However, this candidness was not matched by a discussion to examine the drivers behind these many challenges. Key outcome targets and indicators, which were complicated by multiple restructurings, were not discussed in the report. This meant that additional information was necessary to clearly understand the reported achievements. Project ratings did not appropriately reflect these information gaps, which were clarified by subsequent submission of new or additional information from the project team. Lessons could have been more concise and more grounded in the evidence (or lack thereof).

a. Quality of ICR Rating
Modest