

CARIBBEAN DEVELOPMENT BANK

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HAITI: CHARTING A WAY FORWARD

A PAPER FOR THE SPECIAL DEVELOPMENT FUND 8 NEGOTIATIONS

The attached Paper has been revised based on comments/questions from the Contributors at the Third Formal Negotiation Meeting of Contributors to the Special Development Fund (Unified) which was held in Barbados on July 19-20, 2012. Contributors are asked to note the revisions to the document which are highlighted for ease of reference.

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REVISED

CURRENCY EQUIVALENT

Dollars (\$) throughout refer to United States dollars (USD) unless otherwise stated.

ABBREVIATIONS

APD	-	Agriculture Policy Document
BMC	-	Borrowing Member Country
bn	-	billion
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CARICOM	-	Caribbean Community
CBOs	-	Community-based Organisations
CCRIF	-	Caribbean Catastrophe Risk Insurance Fund
CDB	-	Caribbean Development Bank
CDCs	-	Community Development Councils
CDD	-	Community-Driven Development
CSP	-	Country Strategy Paper
CTCS	-	Caribbean Technological Consultancy Services
EFA	-	Education for All
ENAF	-	L'Ecole Nationale d'Administration Financière
GDP	-	Gross Domestic Product
GOH	-	Government of Haiti
IDB	-	Inter-American Development Bank
IFC	-	International Finance Corporation
MiCRO	-	Micro Insurance Catastrophe Risk Organisation Fund
MFI	-	Micro-finance Institutions
mn	-	million
MENFP	-	Ministry of National Education and Vocational Training
MOE	-	Ministry of Education
MSMEs	-	Micro, Small and Medium-sized Enterprises
NAIP	-	National Agriculture Investment Plan
NGOs	-	Non-Governmental Organisations
%	-	per cent
OP	-	Operational Plan
PARDH	-	National Recovery and Development of Haiti
PBG	-	Policy-Based Grant
PF	-	Partnership Framework
PRODEP	-	Participatory Development Project
PRODEPUR	-	Urban Community-Driven Development Project
SDF (U)	-	Special Development Funds (Unified)
SDF	-	Special Development Funds
SMEs	-	Small and Medium Enterprises
SOFIHDES	-	Haiti's Société Financière Haïtienne de Développement
TA	-	Technical Assistance
TVET	-	Technical and Vocational Education and Training
UNICEF	-	United Nations Children's Education Fund
UWI	-	University of the West Indies
WB	-	World Bank

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1. INTRODUCTION

1.01 Haiti is a highly fragile state with development complexities and growth challenges that greatly exceed those of other countries in the Caribbean and the Western Hemisphere. With formal entry into the Caribbean Development Bank (CDB) as a Borrowing Member Country (BMC) on January 19, 2007, CDB, along with other important development partners, at both the multilateral and bilateral levels, has sought to buttress country effort in lifting Haiti out of poverty. Given Haiti's development indicators, support from CDB has been through the provision of grants on a set-aside basis within the context of the Bank's Special Development Funds (SDF).

1.02 This support allowed CDB to intervene in core areas that directly impact the lives of ordinary Haitians and build resilience aimed at improving life chances. However, the country has a fair distance to go in building institutions; strengthening the apparatus for policy formulation; improving social and economic indicators; and raising the quality of life for the average Haitian. In so doing, Haiti will require significant and well coordinated development support. This Paper sets out a discussion for CDB's ongoing and future role in supporting Haiti's development effort. To set the context, the second section of the Paper reviews the macroeconomic and social setting in the country, as well as zooms in on some critical needs and development challenges. The third section provides a status of CDB's involvement in Haiti. The fourth section discusses a possible way forward for CDB in Haiti by paying close attention to the country's development vision as it seeks to rebuild social and economic infrastructure, as well as critical institutions. The final section provides a conclusion.

2. BACKGROUND

Macroeconomic and Social Setting

2.01 Haiti's population is currently estimated at 9.7 million (mn). The country's real Gross Domestic Product (GDP) per capita income declined by close to 45 per cent (%) between 1960 and 2005, culminating in very high levels of poverty and indigence. Some indications of a turnaround appeared during the period 2005-07, when the economy witnessed improvement in economic growth of 1.8, 2.3 and 3.3%. However, in 2008, severe internal and external shocks (hurricanes, high fuel and food prices, and global financial and economic crises) led to a contraction in growth to 0.8%.

2.02 The January 2010 earthquake significantly set back Haiti in its strides towards reversing economic and social decline. The earthquake resulted in the death of an estimated 250,000 people, including a large number of public servants from key government ministries and agencies, and destroyed the economic and social infrastructure in the capital Port-au-Prince, initiating the movement of hundreds of thousands of urban residents to the country's rural areas. Damage and losses were estimated at \$7.8 billion (bn) or 120% of 2009 GDP.

2.03 Prior to the earthquake, about 78% of the population was poor, that is, living below the international threshold of \$2 a day; among these 54% were extremely poor, living below \$1 a day, with poverty being predominantly in the rural area, affecting 77% of the population. It was also very high among children; affecting about 70% of those below the age of 18 years. This situation was worsened by the earthquake, with the level of unemployment rising to an estimated 41% in 2010, compared with an estimated 35% prior to the event. In addition to the high levels of unemployment, a large proportion of

men and women who are employed are among the working poor being engaged in subsistence level activities in the informal sector. Overall social and economic conditions are dire for both men and women, but women are particularly disadvantaged as they suffer from higher levels of unemployment, lower educational levels, poorer overall living conditions and greater vulnerability to exploitation.

2.04 Long-standing structural and institutional barriers were exacerbated by the earthquake and new challenges emerged. Among the new challenges is the need to provide housing for the displaced persons and the need to rebuild capacity in the public sector. The widespread destruction of houses in the Port-au-Prince metropolitan area which resulted in the massive displacement of people, gave rise to the erection of makeshift shelters and the establishment of about 1,000 camps all over the city and the *Quest* Department. In addition, many persons moved in with friends and relatives whose houses were still in a habitable state after the earthquake, while large numbers also moved back to the rural areas or other urban centers. The number of persons still living in tents/makeshift shelters has declined to about 700,000 by the second half of 2011 from 1,600,000 in the immediate aftermath of the crisis. Much of this has occurred as a result of repairs to homes that were damaged and the provision of some new housing, but the great need still remains.

2.05 Compounding and contributing to the poverty situation is limited access to education at all levels, with 40% of primary school-age children (representing approximately 500,000 children) not enrolled in school and few children transitioning to the secondary level. This results mostly from high school fees, since education is mostly delivered by private providers, which most poor parents are unable to pay; and the absence of school facilities, especially in rural areas. As a consequence, 87% of household heads with no educational background are among the poor. Prior to 2010, access to basic health services in Haiti was not available to the majority of the population. Only 28% of the population had access to health care institutions which were primarily owned and operated by non-governmental organisations (NGOs). Further, Haiti suffered from severe environmental degradation which had significant and wide-reaching social and economic impacts.

Critical Sector Needs and Development Challenges

Governance

2.06 There are significant governance challenges confronting Haiti and the poor economic performance prior to 2005 can, in part, be attributed to poor governance. Over the years, persistent social inequity, concentration of power, and weakness in law enforcement has repeatedly led to eruptions of violence. Haiti has scored very low on the Worldwide Governance Indicators (compiled by World Bank [WB]) over the period 1996-2010 and has had very unfavourable comparisons with the Caribbean and the rest of the world. However, the Government of Haiti (GOH) and the donor community has made the strengthening of governance a major priority and indications are that, while governance indicators generally remain very weak, there has been some progress since 2005, and this provides hope that with commitment and persistence Haiti can eventually achieve the level of good governance critical to its economic and social development.

2.07 As a result of the earthquake, public administration suffered major losses in terms of human life and material damage and this has decreased the ability of Government to perform its designated role, thus contributing to a decline in Government effectiveness which, though weak, had improved in recent years leading up to 2010. Further, the political stalemate with respect to the election of a President, which was set for November 2010, but culminated in May 2011, and the five-month run-up to the selection of a Prime Minister in October 2011, distracted GOH from the optimal management of the crisis and from tackling development challenges in general. Though tumultuous, the presidential elections led to the first peaceful handover of power to a President from the Opposition in Haiti's history. Though President Martelly received a strong majority of cast votes, the former governing party retained a majority

in both houses of Parliament. However, in February 2012, the Prime Minister Gary Conille resigned after four months in office placing additional strain on governance. A new Prime Minister - Former Foreign Minister Laurent Lamothe, was installed in May 2012.

Education

2.08 The education sector in Haiti, prior to the earthquake, was under-resourced and of low quality. There was limited access at all levels and education services were provided mainly by the private sector with the State providing less than 20% at the primary level. A large percentage of the non-public schools, about 75%, lacked accreditation or licensing with the result that their output was of questionable quality. The system was also characterised by low enrolment rates, with approximately 40% of primary school-age children not enrolled. The low and inequitable access resulted from the high cost of school fees and the absence of appropriate infrastructure, especially in the rural areas. Dropout rates were high and few children transitioned to the secondary level. Poor quality was also reflected in the low performance on national examinations and high repetition rates. Poorly trained and unqualified teachers, insufficient teaching and learning materials, outdated curricula, weak school management systems and insufficient supervision of the large non-public sector, all contributed to the low quality of education. Malnutrition and poor health also contributed to low participation and under performance as many children were simply too hungry and/or lacked the energy needed to focus on learning. In this context, CDB partnered with WB to implement the Education For All (EFA) project in an attempt to increase access to primary education and to improve the quality and governance of the sector.

2.09 The impact of the earthquake was severe. All sub-sectors were severely affected by property damage, loss of life and psychological trauma. Most of the infrastructure in Port-au-Prince and the surrounding areas was significantly damaged and it is estimated that about 38,000 students and almost 1,350 teachers perished. Although the rest of the country was not physically impacted, direct consequences were observed in the migration of a large percentage of the population. This migration of more than 500,000 people has placed an additional burden on previously stressed educational services in other areas. In these circumstances, the efforts of GOH to expand the education net were severely affected and there was even greater dependence on EFA to assist in the normalisation of the delivery of education services.

2.10 Currently, alongside CDB and WB, many international organisations and NGOs are working in the education sector. These include: the United Nations Educational Scientific and Cultural Organisation; the Inter-American Development Bank (IDB); the European Union; the World Food Programme; the United Nations Children's Fund (UNICEF); and a number of other agencies. There is evidence of collaboration as demonstrated through partnerships like that of CDB and WB in EFA. Activities revolve around the improvement of access and quality and include: tuition support; school feeding; teacher training; curriculum development; literacy; and Technical and Vocational Educational and Training (TVET). The organisations active in education have established a sector grouping, which attempts to coordinate discussion among themselves, as well as with Government, in an attempt to ensure that there is coordination of the activities being planned and implemented. The result is that there is movement towards greater donor coordination in the sector.

2.11 The new government of Haiti, under its 'Sou Ban Lekol' programme, has also articulated a goal of providing free education to every child in Haiti, and the 2010 education census of the Ministry of Education (MOE) (undertaken with CDB support) indicates that since the earthquake 142,000 additional students have been enrolled. Notwithstanding this, there are still in excess of 500,000 children for whom access must be provided. This has significant implications since high unemployment means parents may not be able to pay fees and currently Government is only able to support approximately 20% of the education provision. It also means that Haiti will not, in the foreseeable future, approach the achievement of Universal Primary Education. Many other enormous challenges and needs still exist. These include:

- (a) rehabilitation of infrastructure and provision of associated equipment;
- (b) construction of new facilities;
- (c) teacher training;
- (d) curriculum development;
- (e) continuation of support for school feeding;
- (f) development and implementation of literacy programmes;
- (g) continuation of school subsidies;
- (h) collecting and utilisation of educational data; and
- (i) capacity building for leadership of the system at both central and departmental levels.

Agriculture and Rural Development

2.12 Haiti's population is largely rural-based, with pre-earthquake estimates indicating that approximately 60% of persons live in rural communities. This percentage is likely to have increased, given the urban to rural migration following the January 2010 devastation of Port-au-Prince – the main urban center.

2.13 In general, rural communities are characterised by high levels of poverty, limited infrastructure and poor access to services – resulting from decades of under-investment and environmental degradation. Overall, only 5% of residents in rural areas have access to electricity, less than 55% have access to improved drinking water sources, and less than 10% to improved sanitation facilities.^{1/} In addition, the rural road network is limited, with roads generally unpaved, making navigation difficult, particularly during the rainy season.

2.14 Agriculture is the dominant economic activity in rural areas, providing employment for an estimated two-thirds of residents. Overall, the agricultural sector accounts for an estimated 25% of the country's GDP and 50% of total employment. However, over the past two decades the sector's output has been on the decline due to a combination of factors, including:

- (a) under-investment in rural infrastructure and services (for example, rural road infrastructure, drainage and irrigation systems and extension services);
- (b) poor natural resource management, including intensive deforestation. Farming on sloping lands, without the benefit of soil conservation measures, has led to excessive soil erosion and deforestation to near catastrophic conditions. The situation is further compounded by the widespread use of fire as a means of land preparation, leaving the land exposed to the elements and devoid of organic matter. This further increases erosion and flood risks, and reduces fertility, given the loss of top soil;
- (c) limited access by farmers and fishermen to modern technologies, credit, production and marketing support. It is estimated that less than 5% of farms use improved production systems, planting material and fertilisers; and

^{1/}United Nations Millenium Development Goals Statistics. <http://mdgs.un.org/unsd/mdg/Data.aspx>

- (d) weak and poorly-governed rural institutions (including municipalities, and farmer associations).

2.15 On the upside, the country enjoys diverse agro-ecological zones conducive to the production of a wide range of crops for both domestic consumption and export. Investment in the agriculture sector is a key component of the country's growth and development agenda.

2.16 GOH's vision for the development of the agricultural sector is stated in the country's Agriculture Policy Document (APD) 2010-25, and articulated in the National Agriculture Investment Plan (NAIP) 2011-16. NAIP's objectives and strategy, which are based on APD, were developed by GOH in conjunction with developmental partners to address and coordinate GOH and donor response to the January 2010 earthquake. NAIP has three components focusing on improving: (i) rural infrastructure; (ii) production and productivity; and (iii) agricultural public services and institutional support. The implementation cost is estimated to be \$790 mn, of which \$220 mn will be financed by GOH and the local private sector. The international donor community has pledged approximately \$300 mn leaving a financing gap of approximately \$270 mn.

Employment and Private Sector Development

2.17 Addressing poverty in Haiti requires, among other strategies, making significant effort to reduce unemployment and to improve productivity of factor markets. Much of this will require providing the appropriate enabling environment and support for the development of the private sector. This notwithstanding, the private sector remains weak and a number of constraints impedes its development. These include, high cost and inadequate access to finance; the lack of infrastructure, which makes it costly to open and conduct business in Haiti; lack of technical expertise for establishing and developing businesses; substantial migration of skilled labour; high security costs associated with business operations; a complicated tax system; onerous requirements of opening businesses; and land tenure issues. Moreover, the earthquake inflicted substantial damage to the already inadequate production infrastructure and capacity and led to a massive reduction in employment.

2.18 The manufacturing sector and the tourism industry have the potential to generate significant new jobs given low labour cost and the potential to market several attractions. However, developing the tourism industry will require substantial investments – both public and private, to address infrastructure needs, product development, marketing, and other related constraints, such as waste management, security and human resource capacity.

Environment and Disaster Risk Management

2.19 Prior to the earthquake, Haiti already suffered from severe environmental degradation which had significant and wide-reaching social and economic impacts. The acute poverty, rapid and unplanned urbanisation, food insecurity, critical environmental health problems and vulnerability to natural disasters are strongly interlinked with severe environmental issues. These include: (i) inadequate solid waste management services and an absence of waste-water management systems; (ii) water scarcity due to the lack of integrated management of water resources; (iii) extensive deforestation directly related to the high energy demands, with forest cover estimated at less than 2% of the total land area; (iv) degraded water catchment areas in the main watersheds, leading to soil erosion and increased potential for floods; and (v) coastal zone degradation. The environmental deterioration has been compounded by weak institutional capacity for environmental governance. The massive damage from the earthquake exacerbated these problems by adding considerably to pollution, placing additional stresses on the environment and natural resources and exposing some people to disaster prone areas. The ability of the National Environmental Management System to guide the integration of environmental aspects into the

recovery and reconstruction efforts was further weakened due to the substantial loss of their technical capacities and physical capital. GOH's capabilities to address the country's vulnerability to disasters, and to support the mitigation of risk continues to be limited having been further set back by the earthquake.

3. CARIBBEAN DEVELOPMENT BANK'S INVOLVEMENT IN HAITI

3.01 Haiti formally became a member of CDB in January 2007, setting the stage for full engagement by the Bank in support of the country's development agenda. The country's membership in CDB was firmly anchored in the Bank's mandate of supporting the Caribbean's regional integration agenda; the country's shared Caribbean heritage and close cultural affinity; the Bank's strong link with countries which have robust democratic traditions; and, in particular, CDB's core strengths in relation to tackling poverty reduction; building social capital; promoting environmental sustainability; and bolstering governance systems through critical capacity development.

3.02 However, it was recognised that, given the country's enormous development needs, in the context of deep and widespread poverty, fragile institutions and a strained political environment, CDB's early engagement in Haiti would be an opportunity for the Bank to learn quickly, thereby building its capacity to assist Haiti in confronting its development challenges. Further, the reach and effectiveness of the Bank's assistance programme in Haiti would hinge critically on a number of factors. These included: the need for a dedicated set of financial resources which would not be contingent on the funding requirements of other BMCs; the need to build both internal capacity, as well as in-country presence, including establishing strong partnerships with key development partners; and the need to avoid intervention dispersion in an effort to sharpen development impact and to focus on results.

3.03 Within that context, contributors to the SDF (Unified) [SDF (U)] for the Sixth Cycle coalesced behind some clear principles. These included, *inter alia*, that:

- (a) funding for Haiti be separately earmarked within the SDF 6 replenishment. In this regard, a set-aside of \$27 mn was agreed to meet both programming and operational costs of initial operations in Haiti;
- (b) the Bank work towards an integration of operations in Haiti within the Bank's normal operations in the medium-term, and that this could include a continuing resident presence because of the overwhelming need to work closely with other donor agencies, Government, other institutions and civil society;
- (c) the Bank undertake to prepare a Paper on the nature of the programme and the use of the funds available for Haiti; and
- (d) there be a commitment to work in collaboration with the donor community and local level institutions and to recognise that coordination and harmonisation are of particular importance in executing programmes in Haiti.

3.04 During SDF 7, the set-aside for Haiti was increased to \$46 mn in light of the development deficit in the country and large assistance needs as the country continued to be saddled with vast growth challenges and social and economic fragility. Further, there was the need to extend the period for 'ring-fencing' the Bank's Haiti programme to allow sufficient time for imbedding the process of integrating Haiti into the Bank's regular operations.

3.05 CDB's core areas of operations in Haiti reflect consistency between the Bank's strategic focus and are further shaped by pressing country needs. Within this context, interventions supported efforts to promote inclusive social development, support environmental sustainability, promote good governance,

as well as initiatives geared towards fostering regional cooperation and integration. Table 3.1 captures the main interventions over the period 2007-2011. The first capital project approved by CDB (May 2007) was the EFA Project in the amount of \$10 mn. Given the strong need to strengthen governance, CDB in March 2008, provided a technical assistance (TA) grant of \$1.2 mn for Project Cycle Training for public sector officials. Subsequently, two other capital projects were approved, namely, TVET Project for \$5 mn, approved in May 2008, and the Urban Community-Driven Development Project (PRODEPUR) for \$4 mn, approved in July 2008. Current operations are guided by the intervention strategy for Haiti which covers the period 2009-2012, as outlined in CDB's Board Paper – BD 50/09, Country Strategy Paper (CSP), and amended to reflect the reordered priorities post the 2010 earthquake. These operations included a Policy-Based Grant (PBG) which was disbursed in 2009 to support macroeconomic adjustments and enable GOH to continue to provide basic services and implement critical infrastructure under the Poverty Reduction Growth Strategy. This PBG was provided parallel to similar support given/advanced by IDB and WB.

TABLE 3.1: COMMITMENTS TO PROGRAMME AND OPERATIONS: 2007-2011

(USD mn)

Interventions	Amount Approved	Disbursements to December 31, 2011	Balance to be Disbursed	Partner	Status
Promote Broad-Based Economic Growth and Inclusive Social Development					
EFA	20.0	10.8	9.2	WB	Under implementation.
TVET Project	5.0	1.64	3.36	IDB	Under implementation following some interruption due to earthquake.
Urban Community-Driven Development (CDD) Project (two grants)	9.0	2.3	6.7	WB	Under implementation.
Rural CDD Project	10.0	0.0	10.0	WB	Condition precedent pending.
Supporting Environmental Sustainability and Disaster Risk Management					
Disaster/Emergency Relief Grant/Response.	0.60	0.59	0.01		Completed.
Caribbean Catastrophe Risk Insurance Fund (CCRIF) premium payments	1.55	1.55	0.0		Completed.
Earthquake Restoration Efforts - Offices for Ministry of Public Works	0.92	0.77	0.15		Under implementation. Final equipment delivery due February 2012.
University of the West Indies (UWI) external scholarship for final year Haitian students following the earthquake	0.15	0.07	0.07		Students completed course of study.
Promoting Good Governance					
PBG in collaboration with WB and IDB	10.00	10.00	0.0	IDB and WB	Disbursed in 2009.
Project Cycle Training/Training for Public Officials with L'Ecole Nationale d'Administration Financière (ENAF)	1.98	0.88	1.10		Training under implementation. Disaster recovery assistance was completed.
Enhanced Management Capacity in Small and Medium Enterprises (SMEs) - Branded training programme – Business Edge	0.39	0.39	0.0	IFC	Under implementation following some interruption due to earthquake.
Preparation of CSP	0.09	0.09	0.00		Completed.
Fostering Regional Cooperation and Integration					
A joint CDB/Caribbean Association of Industry and Commerce planning mission to Haiti to discuss the hosting of a Haitian Private Sector Forum	0.03	0.03	0.0		Completed.
Others	0.15	0	0.15		
Total	59.86	29.11	30.75		

Source: CDB

Education

3.06 The objective of EFA is to increase access to primary education by poor children aged 6-12 and to improve the quality and governance of the education sector. The project provides for student subsidies; school feeding; pre-service teacher training; provision of textbooks; multigrade learning programmes; and activities to improve student literacy. The project also makes allocation for improving governance and enhancing financial management and procurement skills within MOE. The total cost of the project is \$64.7 mn, of which CDB is providing \$20 mn; WB \$37 mn; Canadian International Development Agency \$5.2 mn; and GOH \$2.5 mn. Donor resources are in the form of grants.

Caribbean Development Bank's Support to the Education Sector in Haiti: Results to-date

The impact of the CDB-funded projects in the education sector in Haiti has, in some cases, exceeded results planned at appraisal and complements the support provided by other multilaterals which all work synergistically to address the significant quantitative and qualitative deficits in the sector. The following summarises some key outputs of CDB's projects at the end of 2011:

- (a) 175,000 students supported with tuition waivers in 1,121 participating schools;
- (b) 73,000 students benefitting from school lunches;
- (c) 3,054 teachers pursuing teacher-training in 12 colleges;
- (d) 4,000 students in 100 schools participating in literacy programmes; 216 teachers trained and 198 school libraries supplied;
- (e) 100 motorcycles supplied to MOE officers to support supervision work in the decentralised offices;
- (f) National School Census (2010) completed and providing up-to-date data on the education sector – the first of its kind in Haiti;
- (g) School Management Committees established and functioning in 80% of EFA project schools; and
- (h) 30 students completed undergraduate degree programmes at UWI, Mona, Jamaica.

3.07 Stories from school administrators, students and parents, point to the significant impact of these inputs. Since most families spend more than 45% of their annual income on sending their children to school, the provision of subsidies has removed a significant burden on the finances of the families whose children are benefitting from them. As an example, the proximity of at least one of the schools receiving subsidies to a major campsite for displaced families and the provision of subsidies for children living in this camp, have played a major role in normalising the lives of these children and removing the burden of having to find tuition fees from parents, many of whom are now unemployed and/or under-employed and therefore cannot afford the fees.

3.08 The school nutrition programme provides the only hot meal for a large number of students daily. In addition, a number of children who come to school without breakfast are able to receive a snack and de-worming medication, both of which contribute to keeping them healthy, alert, and engaged, enabling them to benefit more from the instruction delivered.

3.09 A further benefit of the project is that, notwithstanding that class sizes are still large in comparison to pupil:teacher ratios in the rest of the Caribbean region, in EFA-supported schools they are slightly lower than in the average classroom in Haiti. Also, some of the infrastructural works carried out under EFA have enhanced the quality of the refurbished facilities, rendering them more resilient in the event of further earthquakes.

3.10 Despite these benefits, however, especially the significant increase in enrolment and attendance, the first ever National School Census (2010) funded by CDB has confirmed that over 500,000 children are still without places at the primary level, rendering Haiti's efforts towards Universal Primary Enrolment almost futile, without further donor support and intervention.

3.11 With respect to TVET, the project is an integral component of the Vocational Training Programme co-funded by IDB in the amount of \$22 mn. The programme aims, through investment in demand-driven training, quality enhancement interventions and improved governance, "to improve the employability of young people, thereby enhancing their possibilities of achieving sustained improvements in their well-being." It targets young people between 15 and 24 years, facing problems of labour marginality with specific attention being given to the training and employability of females in the non-traditional areas. CDB's focus in the project involves the rehabilitation and expansion of three vocational schools and transformation into reference centres. It also includes an institutional strengthening component to assist GOH to: (a) develop a TVET Policy and Strategy, which will include recommendations for the establishment of a national training agency; and (b) develop a framework for enhancing employability of trainees through the provision of support services, such as entrepreneurial training, career guidance, and linkages to industry.

Community-Driven Development Initiatives

3.12 CDB's Board of Directors (BOD) has approved three CDD interventions in Haiti – two targeting urban disadvantaged communities (through the Urban CDD Project – PRODEPUR) and one targeting poor rural communities in areas north of Port-au-Prince (the Rural CDD Project - PRODEP). The first intervention, in favour of PRODEPUR, which was approved in June 2008, amounted to \$4 mn and targeted interventions in two towns, namely Port-au-Prince and Cap Haïtien. An additional amount of \$5 mn and an extension of operations to an additional two towns (St. Marc and Gonaïves) were approved by BOD in December 2010 bringing the total CDB contribution to PRODEPUR to \$9 mn. The additional PRODEPUR financing and extension of the geographical areas of operations was designed to assist GOH in improving basic infrastructure and services in areas settled by persons displaced by the 2010 earthquake, and to assist persons impacted by the October 2010 cholera outbreak and the passages of hurricane Tomas in November 2010. CDB's contribution to PRODEP was approved in December 2011, and amounted to \$10 mn. Both PRODEPUR and PRODEP are jointly financed with WB.

3.13 The CDD approach is designed to promote transparency in the allocation of investment resources and to increase the likelihood that these resources are utilised in a manner consistent with local demand. A central design feature of the approach is the empowerment of local communities and institutions with decision-making authority and control of financial resources for investments affecting their livelihoods. Given the need to strengthen the decentralised governance system in Haiti, investment in capacity building of local governance structures is central to both PRODEPUR and PRODEP design. CDB and WB assessments and independent studies have concluded that CDD investments in Haiti are an effective mechanism for fostering social inclusion; community participation; and public/private sector partnerships, while at the same time, improving community access to basic social and economic infrastructure and services. The design of CDD projects is highly flexible, as demonstrated by the fact that sub-projects were approved and implemented within weeks of the January 2010 earthquake. The response to the

cholera outbreak was equally impressive, with several communities benefiting from investments in potable water supply systems under PRODEPUR.

3.14 A joint WB/CDB project supervision mission in October 2011 expressed overall satisfaction with the pace of the sub-project implementation under PRODEPUR and noted the positive contribution the interventions were making to the lives of beneficiaries. As at October 2011, CDB was jointly financing interventions in all four targeted towns. Implementation progress was rated as highly satisfactory with all 14 planned Community Development Councils (CDCs)^{2/} operational. There were approximately 300 sub-projects, representing a sub-project approval rate of 82%. These sub-projects were at various stages of implementation. The majority of sub-projects financed to date are in the areas of basic infrastructure and include:

- (a) approximately 51 sanitation and potable water supply systems;
- (b) 127 drainage sub-projects and spot improvements to approximately 60 kilometres of community roads;
- (c) 21 community lighting projects; and
- (d) 57 social infrastructure sub-projects.

3.15 There has been a noticeable increase in the demand for sanitation, potable water and drainage improvement sub-projects post the emergence of cholera. Meanwhile, community lighting (electrification) has proven to be an effective mechanism for improving citizen security, particularly that of women.

3.16 An estimated 20,000 persons have benefited from short-term employment during sub-project implementation, while the various interventions are estimated to have a direct impact on the lives of over 100,000 residents of urban disadvantaged communities.

3.17 PRODEP represents the first effort by CDB to operate independently in Haiti with CDB staff assuming direct responsibility for supervision of project implementation. The project, financed by a \$10 mn grant, seeks to: (i) improve access by poor rural communities to basic social and economic infrastructure; (ii) provide income-generating opportunities; (iii) improve governance; and (iv) build social capital at the local level. Considerable support will be provided towards capacity-building of local governance structures to ensure the long-term sustainability of the project and related CDD interventions. A noteworthy feature of PRODEP is the provision of support for a pilot operation which seeks to build the capacity of CDCs to enable them to perform a development agency function in their respective municipalities. In an effort to improve the chances of sub-project sustainability, PRODEP also incorporates design features of CDB's Basic Needs Trust Fund (BNTF) and rural enterprise projects. These include provision for the engagement of consultants to design and supervise the implementation of sub-projects, and the use of productive sub-projects as a vehicle for addressing income poverty in the target communities.

^{2/} These councils are formed by elected representatives of community-based organisations (CBOs) and local/municipal government representatives. They receive, prioritise and approve sub-project proposals from CBOs.

L'Ecole Nationale d'Administration Financière Project

3.18 The Grant for Project Cycle Training was to finance consultancy services to prepare and deliver training courses in Investment Appraisal and Risk Analysis, and Project Management, as well as the equipping of a multi-user conference facility. The objective of TA was to strengthen the capacity of Haiti's Ministry of Economy and Finance to manage the Public Sector Investment Programme. The project included, among other things, upgrading the capacity of ENAF for sustainable delivery of training services to public sector officers.

3.19 The Project upgraded ENAF's support infrastructure for the sustainable delivery of its own training programmes, as well as other training events and conferences which ENAF holds from time to time for high level public sector officials. Project implementation has been highly satisfactory and has resulted to date in 37 trained public sector officials, 14 of whom are equipped to serve as trainers for Haiti's public sector in the areas of Project Cycle Management and Investment Appraisal and Risk Analysis.

3.20 ENAF's entire facilities, including all the equipment provided under the abovementioned TA project, were completely destroyed in the earthquake. In October 2010, CDB provided an additional TA grant of \$0.8 mn to ENAF for the supply and installation of a secure furnished air-conditioned container computer laboratory totalling approximately 1,120 square feet (with back-up power generator) and computer equipment to replace those which were damaged in the earthquake. Since completion in November 2011, this additional support has assisted GOH/ENAF in restoring essential public sector training services. The availability of the computer laboratory and equipment has enabled ENAF to return to implementing a very active training programme for public finance technicians, as well as other public sector officers. Over the period January to April 2012, nine training seminars were held for approximately 360 participants using the laboratory and the equipment. Public sector officers trained in Project Management, and Investment Appraisal and Risk Assessment continue to work in administration and training either at ENAF or the State University

Private Sector Intervention

3.21 CDB is partnering with the International Finance Corporation (IFC) to finance the roll-out of Business Edge in Haiti. Business Edge enables local training providers or corporate financial partners to deliver interactive and practical managerial training tailored to meet local market needs. This training solution specifically targets owners/managers of smaller companies and/or middle management of medium-sized firms. A local partner, *Haiti's Société Financière Haïtienne de Développement* (SOFIHDES), was trained, assessed and certified in order to successfully deliver Business Edge training on a national level. The selected partner is a Haitian financial development company, which has adopted Business Edge as part of their core services, providing management training to SMEs. To date, a total of 2,566 people have been trained through a total of 134 workshops. The participation of women in the workshops has been a particular focus and has led to 1,142 trained women which represents 45% of those trained. Workshops have been conducted within various sectors/subsectors including: banking/finance business development; telecommunication; agriculture; education; engineering; environment; manufacturing; and marketing.

3.22 CDB has also provided TA to approximately 40 micro, small and medium-sized enterprises (MSMEs) in Haiti through workshops, and direct TA in areas related to agro-processing, hotel operations, project management, and product costing and pricing. These activities have benefited approximately 120 persons and were executed under CDB's Caribbean Technological Consultancy Services (CTCS) Network, which is a TA programme aimed at enhancing operational efficiencies, productivity and overall competitiveness of MSMEs in CDB's BMCs.

3.23 CDB has established and is responsible for administering a multi-donor trust fund called the “Micro Insurance Catastrophe Risk Organisation Fund” (MiCRO) for the purpose of supporting the establishment and operations of a catastrophe micro-insurance facility which aims to provide parametric insurance to protect microfinance institutions and their micro-credit borrowers in Haiti against losses resulting from natural disasters. The Trust Fund commenced with an initial contribution from the Government of the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development in an amount not exceeding the equivalent of nine hundred and fifty-five thousand pounds sterling. MiCRO will provide insurance cover when a parametric trigger – such as extreme rain, earthquake and wind events – occurs in Haiti. However, MiCRO coverage will not be provided directly as Haitian regulations require all insurance to be provided by a local insurance company. MiCRO coverage will therefore need to be provided through a local partner. Alternative Insurance Company, the largest micro-insurance provider in Haiti, has agreed to be the local partner as it has the requisite reputation, organisation and social interest in micro-insurance

Other Interventions

3.24 In the wake of the earthquake, besides the ENAF project, CDB provided grant support for:

- (a) emergency relief – \$200,000;
- (b) disaster management response – \$920,000;
- (c) CCRIF premium – \$1,550,000;
- (d) support for Haitian students at the UWI – \$145,000.

3.25 The Emergency Relief Grant was disbursed to the Caribbean Disaster Emergency Management Agency to cover the costs associated with conducting damage assessments, providing and transporting emergency relief supplies, and providing humanitarian assistance, while the disaster response grant was used to assist GOH with replacing office space destroyed during the earthquake. The 445 square metres of new office space created was also provided with all the necessary furniture and equipment to enable the beneficiary government agencies to resume their services. Support for Haitian students at UWI was to part-finance external scholarships to 30 final year students of the State University of Haiti to complete their degrees at the Mona Campus of UWI. This was particularly critical against the backdrop of the pressing need to build human resource capabilities in the country.

Lessons Learnt

3.26 Through the financing and supervision of interventions jointly with WB and IDB, CDB has enhanced the capacity of its staff to engage in Haiti. To maximise aid effectiveness such partnerships will continue, but CDB is now better equipped to engage Haiti. CDB had gained greater familiarity with the governmental apparatus, as well as the political, institutional and cultural peculiarities that are likely to influence the design of interventions in Haiti.

3.27 Evidence obtained during the implementation of CDD projects in Haiti suggests that strong institutions are important to ensuring that sub-project quality is of a high standard and in maintaining community cohesiveness and sustainability of interventions. Accordingly, a key feature of CDB interventions in Haiti will be capacity building of community-based and municipal governance structures.

CDB has also recognised that in the post-disaster situation other mechanisms to channel resources to Haiti can often help fill temporary capacity gaps. Thus, the “use of funds” approach by CDB in responding to post-earthquake disaster needs for the restoration of office space have been effective.

3.28 Judging from interventions already undertaken by CDB, local project professionals value the dialogue with CDB staff and seek relationships with the Bank’s BMCs to share Caribbean solutions, especially in the area of TVET. With respect to CDD initiatives, CDB’s experiences under BNTF can be shared with Haiti. Further, CDB has already begun to expose representatives from Haiti to conferences and meetings that will assist the country in forging closer ties with the Caribbean Community (CARICOM) countries and institutions.

4. THE WAY FORWARD - HAITI’S ONGOING CHALLENGE AND CARIBBEAN DEVELOPMENT BANK’S ROLE

Haiti Reconstruction Efforts

4.01 The development challenges faced by Haiti are extensive and severe with very large deficits in all sectors, a situation that was further exacerbated with the occurrence of the January 2010 earthquake. Currently, the overall framework for the country’s development thrust is articulated in the Plan for the National Recovery and Development of Haiti (PARDH), which was formulated following the earthquake, and has been endorsed by the current government and accepted by the wider donor community. The Plan to rebuild Haiti went beyond a response to the losses and damage caused by the earthquake and aimed to launch a number of key initiatives over the short to medium term, while creating the conditions to tackle the structural causes of Haiti’s underdevelopment. The authorities recognise that the earthquake presented an opportunity to rebuild and transform the country. Box 4.1 captures the four pillars of Haiti’s Development Vision in the post earthquake era. In keeping with CDB’s mandate of supporting poverty reduction and growth objectives in all of its BMCs, CDB will support Haiti in pursuing its development vision.

Box 4.1: Haiti's Development Vision – The Rebuilding Effort will Stand on Four Key Pillars

Territorial Rebuilding, including identifying, planning and managing new development centers; stimulating local development; rebuilding affected areas; implementing economic infrastructure required for growth (roads, energy and communication); and managing land tenure, in order to protect property; and facilitate the advancement of large projects.

Economic Rebuilding, which, along with developing key sectors, will aim to modernise the various components of the agricultural sector, providing an export potential in terms of fruits and tubers, livestock farming and fishing, in the interests of food security; develop the professional construction sector with laws and regulations relating to earthquake-resistant and hurricane-resistant materials and implementation and control structures; promote manufacturing industries; and organise the development of tourism.

Social Rebuilding to prioritise a system of education guaranteeing access to quality education for all children; offering vocational and university education to meet the demands of economic modernisation; a health system ensuring minimum coverage throughout the country; and social protection for the most vulnerable workers.

Institutional Rebuilding that will immediately focus on making state institutions operational again by prioritising the most essential functions; redefining our legal and regulatory framework to better adapt it to our requirements; implementing a structure that will have the power to manage reconstruction; and establishing a culture of transparency and accountability that deters corruption in our country.

4.02 To promote strong development impact, the Bank's efforts in Haiti cannot be too dispersed and must be characterised by a close collaborative effort with existing development partners with whom the Bank has had much success to date. These strategic partnerships will continue. Interventions will, therefore, be driven by the need to be selective. Within the context of GOH's development agenda, CDB will seek to promote social and institutional rebuilding among the key pillars of the country's rebuilding effort. The preponderance of CDB's support targets two core areas which represent important spheres of country needs, as well as areas in which the Bank has both experience and strong technical capacity. These are: (i) support for basic education and vocational training; and (ii) interventions in CDD and agriculture. Chart 4.1 shows the proposed indicative allocation of resources to these categories. It is also proposed that CDB apply a small portion of allocated resources (reflected in Chart 4.1) to support ongoing and other similar initiatives aimed at building capacity and resilience.

Working with Partners in Haiti

4.03 All interventions within the two core areas are intended to be pursued through joint financing. In that way the financing partners will collaborate or share the cost with respect to the design of each intended intervention and each partner will prepare an appraisal report for their respective boards. A joint appraisal mission will be fielded and the appraisal documents of each financing partner will be expected to be consistent with each other, especially with respect to conditions for disbursement. Each intervention will be jointly supervised by CDB and the other financing partners as has been done with previous and ongoing parallel interventions financed by CDB. These supervision arrangements have helped CDB build its knowledge of Haiti, while allowing the Bank to contribute ideas to enhance the effectiveness of projects. In the case of the ongoing CDD projects, CDB and WB shared the cost of consultancy services

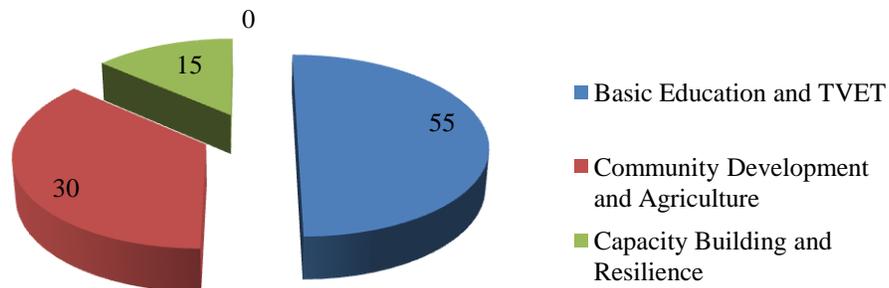
contracted to assist with the design, implementation, supervision and review of the project. It is anticipated that these arrangements will continue where additional technical knowledge is required.

4.04 Further, it is proposed that, where feasible, CDB participate in various coordination mechanisms such as Sector Tables.^{3/} With respect to the education sector, following the recommendations of the Working Group on Education and Training, the Ministry of National Education and Vocational Training (MENFP) developed an Operational Plan (OP) for the overall reform process of the education sector. In order to maximise the opportunity to achieve the desired results of the OP and to improve aid effectiveness, GOH and donors have proposed a Partnership Framework (PF) to support the implementation, coordination and monitoring of the OP. The collaborative framework will be led by MENFP, and a number of major donors to Haiti in the education sector, including WB and IDB, are expected to be signatories to the PF. The overall objective of the PF is to promote collaboration between signatories to ensure the implementation of effective, efficient and coordinated policies of GOH in the education sector. It is proposed that, alongside joint financing of projects in the education sector, CDB participate in this PF which is expected to come into force in the near future with the signatures of GOH and at least five donors. The PF shall remain in force for the duration of the OP or for a period of five years.

4.05 Details of the proposed areas of support are discussed below. These will be further reflected in the CSP which will be presented for the approval of CDB's BOD, subsequent to the special contributors' determination of the quantum of grants available for Haiti out of the 8th SDF Cycle. Interventions are generally anticipated to involve the use of CDB staff time and are not expected to be executed exclusively (that is, without CDB's active participation) through other organisations. Exceptions to this would involve resources aimed at reducing Haiti's vulnerability to natural disasters such as the payment of CCRIF premiums and small immediate disaster response grants which are normally executed through the Caribbean Disaster Emergency Management Agency. There may also be small grant requests to support Haiti's integration into CARICOM which may be executed through institutions such as CARICOM. It is expected that the existing CDB staff complement will be sufficient to manage the intervention programme given the: (i) narrow range of interventions being contemplated; (ii) intended collaboration with other financing partners, (iii) proposed use of consultants when necessary; and (iv) experience already gained by CDB staff. Further, should the size of the Set-aside for Haiti under the 8th Cycle remain largely similar or moderately higher than that under the 7th Cycle, the number of interventions in each area or the geographic coverage with respect to these interventions would not warrant an increase in CDB's staff complement.

^{3/} Sector tables are meetings between the public sector, international donor organisations and other NGOs intended to guide the activities of actors in particular sectors in the direction of national development policy and strategy. There are a number of these tables, including the Education Sector Tables and the Agriculture Sector Tables.

Chart 4.1: Indicative Allocation of Resources (%)



Basic Education and Technical and Vocational Education and Training

4.06 CDB proposes to focus the majority of the resources that may be granted under the 8th SDF Cycle on interventions to increase access to early childhood development (ECD) and primary education by poor children aged 3-12, to assist in the development of TVET and to increase quality and governance in the education sector. This will be done in collaboration with other development partners already operating as part of the education development group in Haiti.

4.07 CDB will continue its collaboration with WB and other partners in seeking to build on and expand specific elements of the ongoing EFA project aimed at increasing access to primary education. A special focus will be placed on the development of community schools, particularly in remote and underserved areas, and the issues of multi-grade and multi-age teaching. While continuing to work with WB to provide subsidies and meals to increase participation at the primary level, CDB proposes to assist in improving the quality of education delivered. This includes enhancing the quality of teacher training programmes, as well as increasing the number of teachers trained. CDB and other development partners will also assist in revising and standardising the basic education curriculum and in developing and implementing basic literacy and numeracy programmes. Leadership training will also be developed and delivered to equip school leaders to manage schools and to engage in effective instructional leadership and teacher development. Interventions will also continue towards strengthening of the Ministry's capacity to manage the system.

4.08 Cognisant of the critical importance of ECD to later educational development, CDB will work closely with partners, particularly UNICEF, to implement parent, community, volunteer, and ECE programmes for 3-5 year olds, especially in remote and underserved areas. These programmes will focus significantly on early stimulation and will prepare children to enter primary school with many of the pre-requisites for formal schooling.

4.09 Finally, in order to provide youths with skills to contribute to the development of the economy, CDB will work primarily with IDB to construct and rehabilitate facilities for TVET; develop appropriate skills training programmes; and provide the requisite training for instructors to deliver those programmes.

4.10 It is proposed that CDB maintain its commitment in education and continue to closely monitor the impacts of its interventions. Beyond the project outputs and immediate impacts (increased participation, increased number of trained teachers, higher levels of literacy, etc.), CDB will collaborate with WB and other partners to closely monitor the long-term impact of the ongoing EFA project and additional interventions on learning outcomes. CDB is well resourced to continue to intervene in the education sector in Haiti, having adequate specialist resources and extensive experience implementing education projects in its BMCs.

Community-Driven Development and Agriculture

4.11 Interventions through CDD initiatives are valued for the direct impact they have on poverty reduction and employment creation. CDB has gained much experience in implementing BNTF projects in several of its BMCs. CDD sub-projects implemented by CDB in Haiti in collaboration with WB are similar to CDB's BNTF and have allowed the Bank to better understand the peculiarities of operations in Haiti. It is proposed that CDB build on these experiences to continue implementing CDD projects in Haiti and to do so in close collaboration with major development partners operating in Haiti. There is a great need to extend coverage of these initiatives in several other rural and urban communities. It is also important to provide continued support to communities that have previously benefited from such CDD projects. Given the importance of agriculture to Haiti and the potential to increase its contribution to poverty reduction by enhancing the efficiency of the sector, it is proposed that CDB also consider interventions in small-scale irrigation systems or other small-scale agricultural infrastructure projects - through the CDD approach. It is further proposed that such initiatives be closely coordinated with other development partners, including the Food and Agriculture Organisation.

Capacity Building and Resilience

4.12 Given the need to build governance capacity, amplified by the adverse impact the January 2010 earthquake on public administration, CDB had supported capacity building efforts in Haiti through various small grants discussed in Section Three. CDB has also supported efforts to build resilience and support Haiti's integration into CARICOM. Further, the Bank has contributed to capacity building in the private sector through the CTCS Network – which is a well established programme under which many other BMCs have been benefiting. It is desirable that CDB continue to support ongoing and other similar initiatives in Haiti aimed at building capacity in the public and private sector, bolstering economic resilience, as well as efforts for fuller integration of Haiti into CARICOM. It is proposed that a small proportion of the resources that may be approved and set aside for supporting development in Haiti under the SDF 8th Cycle be allocated to support the following:

(a) Regional Integration and Public Sector Capacity Building

4.13 CDB should continue to provide assistance to help build institution capacity within the public sector, given the success of the ENAF project, through similar interventions and critical small interventions where CDB can aptly respond. **These interventions are intended to be small and very responsive to needs expressed by GOH.** Further, CDB has a critically important role in supporting Haiti's integration into CARICOM. Haiti values its solidarity with CARICOM, given many cultural and historical similarities. This solidarity is in part expressed through Haiti's participation in regional institutions, organisations, and related agencies, such as CDB. The Bank could support Haiti through interventions that would allow the country to deepen its integration into CARICOM and to learn from other Caribbean countries which have strong democratic traditions, strong rule of law and effective government, and generally to encourage the country to strengthen its commitment to improving governance systems.

(b) Micro, Small and Medium-sized Enterprise Development

4.14 CDB, through CTCS and in collaboration with major enterprise development agencies in Haiti, could continue providing TA to MSMEs, primarily to those operating in key sectors that Government has identified for development, that is, agro-processing, craft and tourism-related activities. Targeted MSMEs will be educated and exposed to more modern production techniques and technologies with a view to assisting them in increasing efficiency and productivity. This will be achieved by facilitating their participation in workshops, providing direct in-plant assistance and facilitating training attachments/study tours to other MSMEs in CDB's BMCs.

4.15 Further, through CTCS, micro-finance institutions (MFIs) and agencies in Haiti that provide financing and TA to MSMEs will be strengthened to enable them to better serve and respond to the needs of MSMEs. These will include providing relevant officers with industrial orientation through study tours in order to gain an understanding of operational intricacies of various types of business operations. These enterprise development agencies and financial institutions will, therefore, be better equipped in assessing proposals from MSMEs seeking access to funding and TA.

(c) Resilience

4.16 It is proposed that CDB continue to provide assistance to Haiti to meet its CCRIF premiums. Further, CDB could continue to support efforts related to emergency disaster response and recovery and provide support to Haiti through other mechanisms aimed at building resilience to the impact of natural hazards.

Operating Environment

4.17 The gains to be derived from effective donor coordination both from an efficiency and efficacy perspective are well documented. The country's acute macroeconomic and political fragility make donor coordination extremely important. However, the large number of NGOs and CBOs^{4/} operating in Haiti, alongside bilateral donors and multilateral institutions within the context of a relatively weak institutional capacity at the country level, gives rise to a complex planning system and heightens the need for donor dialogue and shared approaches in an effort to avoid duplication of effort. Moreover, transaction costs tend on average to be high in light of security considerations. CDB will continue to harmonise its activities with that of other donors and will participate in donor coordinating arrangements in Haiti. A functional framework which was in place for donor coordination since 2005 was significantly interrupted by the earthquake but is now largely back on stream. While this framework has been useful, GOH has embarked on a process aimed at improving donor coordination. Appendix 1 captures the key development partners in Haiti and key areas of focus.

Strengthening Delivery Mechanisms

4.18 CDB's involvement in Haiti over the next SDF Cycle and beyond will be characterised by a strengthened delivery mechanism. This will involve, among other things, the recruitment of Haitian staff in the operations area, as well as the facilitation of an enhanced CDB presence in the country. Further, CDB will resume the requisite language training for staff in an effort to surmount linguistic hurdles.

^{4/} There are an estimated 7,000 NGOs and CBOs operating in Haiti.

5. CONCLUSION

5.01 Since joining CDB, the development experience between Haiti and the Bank has been positive. The set-aside allocation within the context of SDF 6 and SDF 7 allowed for the effective intervention in supporting the country's development agenda. In many respects, the 2010 earthquake added to the complexity of the development challenge in Haiti. Resource requirements have become greater and development solutions are more pressing. CDB is better positioned to respond to and assist with the country's development needs. CDB's mandate to deepen the integration movement, in addition to its core strengths in key sectors, provides a sound basis for continued engagement in Haiti. Supported by emerging strong partnerships among donors, as well as a clearer sense of the intricacies of the development challenges in the country, the Bank is more solidly placed to support Haiti and will continue to collaborate with donors in that regard. The Bank will seek to agree on a country programme with GOH once the SDF contributors agree on the size of the level of support to be made available for Haiti.

6. REQUESTS

6.01 Contributors are requested to endorse management's proposal for the Bank's continued engagement in Haiti.

PICTURES OF HOPE - PRODEPUR



Potable Water Supply System



Women's Group Corn Milling Project



Improving Village Roads



Small Scale Irrigation Project



Critical Partnerships

PICTURES OF HOPE



Workers in school feeding programme at L'École Jn Paul II, Fleuriot - EFA



Children at L'École Jn Paul II, Fleuriot, enjoying a meal of rice, stewed red beans and herring - EFA



One of the schools benefitting from the tuition subsidies - EFA



Students at ADEG Primary School in Port-au-Prince - EFA



New Temporary Offices under construction for GOH agencies within the Ministry of Public Works, Transport and Communications

DONOR SUPPORT FOR THE SECTORS IDENTIFIED IN THE ACTION PLAN FOR NATIONAL RECOVERY AND DEVELOPMENT

Action Plan for Recovery and Development of Haiti		Main Public Sector Bilateral And Multilateral Donors																					
Sector	Field of Action	USA	Venezuela	European Commission	Canada	IDB	Spain	Brazil	France	World Bank	IMF	Norway	Japan	Germany	Sweden	Saudi Arabia	CDB	OCHA-UN	UK	Switzerland	Morocco	Others	
I. Territorial Rebuilding	Disaster Management and Prevention Reduction		*	*		*				*							*			*		*	
	Energy	*	*		*	*				*				*									*
	Reconstruction	*				*	*		*												*		*
	Regional Hubs and Urban Development	*	*	*		*			*														
	Transport	*	*	*		*		*	*	*			*										
	General									*													*
II. Economic Rebuilding	Agriculture	*		*	*	*			*	*			*				*						*
	Financial and Economic Recovery Jobs	*				*																	
	Job Creation	*		*				*					*								*		*
	Industry and Commerce	*		*																			*
	General								*														
III. Social Rebuilding	Culture			*																			
	Education	*		*	*	*			*	*			*				*				*		*
	Food Security	*	*					*					*								*		*
	Health	*	*		*			*	*	*			*								*		*
	Housing	*	*	*	*	*	*						*										*
	Social Protection	*								*													
	Water and Sanitation	*	*			*	*	*		*			*								*		*
	Women and Children	*						*					*										*
	General							*		*			*	*			*						*
IV. Institutional Rebuilding	Strengthening the Administration	*	*	*	*	*			*	*	*						*						
	Democratic Institutions	*		*	*				*	*			*										*
	Justice and Security	*			*			*					*										
	National Planning and Local Development	*		*	*				*		*		*				*						*
	Support to Parliament	*								*													

Source: Office of the special Envoy for Haiti (information as at June 2011). IHRC and IDB information from dialogue with donors.

