Report Number: ICRR0023433

1. Project Data

Project ID	Project Name
P123974	HT Business Development and Investment
Country	**Practice Area(Lead)**
Haiti	Finance, Competitiveness and Innovation

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-H8650	31-May-2018	13,302,887.84
Bank Approval Date	**Closing Date (Actual)**	
21-May-2013	30-Nov-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	20,000,000.00	0.00
Revised Commitment	15,714,718.73	0.00
Actual	13,579,932.54	0.00

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

a. Objectives

The project development objectives of the Haiti Business Development and Investment Project were to: (a) improve the conditions for private sector investment and inclusive growth; and (b) improve the capacity to respond promptly and effectively to an eligible emergency.

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
24-Dec-2015

c. Will a split evaluation be undertaken?
Yes

d. Components
The project had four components, originally focused on reforming the business legal and regulatory environment, developing new integrated economic zones, and supporting micro, small and medium enterprises (MSMEs) (which would be linked to the integrated economic zones) with matching grants and technical services. A redesign of the strategy during the second restructuring dropped the support for new integrated economic zones, reorienting the project toward reforming the business regulatory environment and supporting MSMEs in selected value chains, mostly in agriculture (by which MSMEs would be linked to export markets). This restructuring revised only the first project component. The three other components were maintained, including the fourth, a contingent business support measure in cases of natural or man-made disasters (an intervention that considered Haiti's high exposure to hurricanes, floods, and earthquakes).

Business Environment and Investment Generation (US$10 million estimated at appraisal, US$1.7 million estimated after six rounds of restructuring, US$1.7 million disbursed at closing).

- Original. This component would: (a) help the Government design, plan, and implement reforms that revise: the regulatory framework for secured lending by establishing an electronic collateral registry, training registry staff and financial market clients; improve the insolvency framework by updating the regulatory framework, enhancing the capacity of the judiciary, and establishing oversight mechanisms for insolvency administrators; and execute regulatory and administrative business reforms covered by the reform plan; (b) help the Ministry of Commerce and Industry conduct an assessment of the institutions governing the industrial park and free zones to determine if the regulatory and institutional frameworks needed restructuring, prepare an action plan based on the recommendations of the assessment, strengthen the Integrated Economic Zones Supervisory Authority, prepare feasibility studies to establish at least one new integrated economic zone (the Government planned for two over the next three years), conduct market demand analyses and investment facilitation for existing and future integrated economic zones, and establish a One Stop Shop for integrated economic zone investors; (c) help the Ministry of Commerce and Industry conduct a competition assessment and review of constraints and barriers to competitive markets in selected sectors and identify the legal and institutional changes required to open markets to competition and address specific sector constraints; and (d) help an entity in the Ministry of Commerce and Industry responsible for legal reform and other coordinating entities designated by the Government to improve the business environment.
- Revised. With the changed focus from "integrated economic zones" to the "development of value chains," all the activities listed in (b) above, originally part of this component at appraisal, were dropped at the second restructuring in 2015. As revised, this component would: (a) help the

Government design, plan, and implement reforms that revise: the regulatory framework for secured lending by establishing an electronic collateral registry, training registry staff and financial market clients; improve the insolvency framework by updating the regulatory framework, enhancing the capacity of the judiciary, and establishing oversight mechanisms for insolvency administrators; and execute regulatory and administrative business reforms covered by the reform plan; (b) help the Ministry of Commerce and Industry conduct a competition assessment and review of constraints and barriers to competitive markets in selected sectors and identify the legal and institutional changes required to open markets to competition and address specific sector constraints; and (c) help an entity in the Ministry of Commerce and Industry responsible for legal reform and other coordinating entities designated by the Government to improve the business environment.

Business Development Services for MSMEs (US$7 million estimated at appraisal, US$11.26 million estimated after six rounds of restructuring, US$9.23 million disbursed at closing) would: (a) provide technical assistance to the Ministry of Commerce and Industry to prepare a needs assessment of MSMEs in selected municipalities, conduct sector-specific value-chain diagnostics, prepare the Matching Grants Manual, develop a communication strategy to promote business development services, and conduct a census data mining exercise; (b) provide business development services to MSMEs – training on business improvement, technical assistance to prepare business improvement plans, and matching grants to implement subprojects; and (c) provide goods, technical assistance, training, and funding of operating costs to the Ministry of Commerce and Industry to enhance the capacity of the central and regional offices for the management, implementation, and monitoring and evaluation of these business development services.

Project Management, Evaluation and Monitoring (US$2.5 million estimated at appraisal, US$2.5 million after six rounds of restructuring, US$2.5 million disbursed at closing) would: (a) provide goods, technical assistance, training, and funding of operating costs to the Ministry of Economy and Finance and the Ministry of Commerce and Industry for project management and monitoring and evaluation, and (b) technical assistance to the Ministry of Commerce to conduct workshops for public awareness and consultations on the progress of the project.

Immediate Response Mechanism (US$0.5 million estimated at appraisal, US$0.25 million estimated after six rounds of restructuring, US$0.14 million disbursed at closing) would provide cash or in-kind support to MSMEs in response to an "eligible emergency" (an event that caused or would likely imminently cause, a major adverse economic and/or social impact to Haiti, associated with a natural or man-made crisis or disaster).

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

Project Cost. The project was estimated to cost US$20 million at appraisal. The final project cost was US$15.715 million.

Financing. The project was financed by a grant of SDR 13.4 million (US$20 million equivalent) from the International Development Association (IDA) to the Republic of Haiti. The amount of SDR 3.065 million (US$4.285 million equivalent) was cancelled at the sixth restructuring in November 2021, reducing the IDA grant from SDR 13.4 million (US$20 million equivalent) to SDR 10.335 million (US$15.715 million equivalent). The amount disbursed was US$13.579 million.

Borrower Contribution. There was no financial contribution to the project from the Government.

Dates. The project was approved on May 21, 2013, became effective on November 11, 2013, was restructured six times, and closed on November 30, 2021, three and a half years after the original closing date of May 31, 2018.

Restructuring. The project was restructured six times.

- The first restructuring on September 12, 2013, with no disbursement made, extended the project effectiveness date from September 12, 2013, to November 12, 2013 to allow the adoption of an Operations Manual acceptable to the IDA – the Government would revise the manual submitted earlier on July 26, 2013.
- The second restructuring on December 24, 2015, with US$5.07 million disbursed (37.3 percent of the final disbursed amount): (a) altered the focus of the project from "integrated economic zones" (i.e., the project would not aim to establish integrated economic zones) to the "development of value chains" (i.e., develop at least 20 value chains mostly in agriculture – coffee, cocoa, avocado, mango, honey, and vetiver oil, but also including some light manufacturing – apparel); (b) reallocated funds from the integrated economic zones activities toward support for one to ten regional offices of the Ministry of Commerce and Industry, which would establish and operate 10 Enterprise Support Services to deliver value chain diagnostics and business improvement plans; (c) doubled the envelope for the matching grants program from US$4 million to US$8 million; (d) aggregated the matching grants program to benefit groups of micro, small, and medium enterprises in the same value chain (not individual MSMEs) – matching grants for business improvement (value chain productivity and competitiveness) of up to US$100,000 per value chain with the involvement of at least four MSMEs, and matching grants for common services (quality control, grading and packing services, cold chain transportation and warehousing, common testing and certification, and other logistics services) of US$500,000 to US$1,500,000 with the involvement of at least 60 MSMEs; (d) dropped most of the original and added new output and outcome indicators; and (e) extended the closing date from May 31, 2018, to November 30, 2019.
- The third restructuring on August 2, 2016, with US$6.05 million disbursed (44.6 percent of the final disbursed amount), added "non-consulting services" as an eligible expenditure – non-consulting services would be needed for the matching grants program.
- The fourth restructuring on December 7, 2017, with US$8.08 million disbursed (59.5 percent of the final disbursed amount): (a) reallocated US$1.5 million from the first three project components to the fourth project component, the Intermediate Response Mechanism, in response to Hurricane Matthew which struck Haiti on October 4, 2016 – the US$1.5 million would fund cash transfers and in-kind support to MSMEs registered under the project in industries and areas affected by the disaster (coffee production in Grand'Anse Department and Sud-Est Department, vetiver oil plants in Sud Department, and honey production in Nippes Department); (b) dropped six and added four new output indicators.
- The fifth restructuring on February 23, 2019, with US$9.1 million disbursed (67 percent of the final disbursed amount): (a) reallocated funds among expenditure categories; (b) deleted some output indicators; and (c) extended the closing date from November 30, 2019, to November 30, 2021, to allow contracts with logistics service providers to cover at least two harvest seasons or sufficient production time for exports and to enable the Government to complete the approval of two business environment laws drafted under the project (Parliament closed in January 2020 after which the President started ruling by decree).

- The sixth restructuring on November 30, 2021, with US$14.75 million disbursed (67 percent of the final disbursed amount): (a) cancelled the undisbursed balance SDR 3.065 million (US$4.29 million equivalent) from the original IDA grant of SDR 13.4 million (US$20 million equivalent); (b) reduced the allocation for the second component to US$11.26 million; (c) reduced the allocation for the fourth project component to US$0.25 million. (Subject to Bank approval, the plan was to use the cancelled amount for relief and recovery operations following the magnitude 7.2 earthquake on August 14, 2021).

Split Evaluation. This ICR Review will conduct a split evaluation in view of the change in the focus of the project from "integrated economic zones" to the "development of value chains" at the second restructuring.

3. Relevance of Objectives

Rationale

Binding Constraints. The project objectives aimed to address binding constraints to business development and investment in Haiti pertaining to MSMEs and the business environment that governed their and other private enterprise activities. The Bank's *Systematic Country Diagnostic 2015: Haiti - Toward a New Narrative* and the *Systematic Country Diagnostic Update 2022: Haiti - Pathways to Responding to Recurrent Crises and Chronic Fragility* cited numerous binding constraints in these areas.

- <u>Business Environment</u>. The business environment was unfavorable and difficult: (a) legal and regulatory frameworks were fragmented and dysfunctional; (b) guarantees for the protection of investor private property rights were insufficient; (c) the business environment was hampered by institutional weaknesses, with the country ranked the lowest in the Latin America and Caribbean region on government effectiveness; (d) efficient mechanisms for international arbitration and mediation were lacking; (e) immediate reforms were needed to simplify the processes to start a business, obtain licenses, conduct inspections, get credit, protect minority shareholders, and trade across borders; (f) a legal framework for competition was also needed to remove barriers to entry and enhance competition; (g) overall, the country ranked 178th of 185 countries in the World Economic Forum *Global Competitiveness Index 2013-14*. In 2012, the Government established the Presidential Commission for the Reform of Commercial Laws to take the lead in drafting legal reforms to the business environment and submit the draft laws to the Cabinet.
- <u>MSMEs</u>. The MSME sector – microenterprises comprised 95 percent of the formal private sector (according to 2013-18 tax data) – performed poorly: (a) the sector lacked entrepreneurial skills and experience –small private sector actors needed to strengthen their capacity to add value to the economy; (b) access to finance was challenging – the availability and affordability of financial services and the ease of access to loans was among the worst globally, with Haiti ranking 138th of 144 countries on availability of financial services, 139th on affordability of financial services, and 142nd on ease of access to loans, according to World Economic Forum *Global Competitiveness Report 2012-2013;* and (c) the sector lacked links to global value chains – deficient in business services, finance, and infrastructure, the country's MSMEs failed to exploit their comparative advantage in sectors including agriculture, apparel, tourism, and, possibly, some light manufacturing

to take advantage of the country's preferential trade agreements with the United States, Canada, and Europe.

Bank Group Strategy. The project objectives were aligned with the Bank Group strategy in Haiti at appraisal and during implementation.

- The *Country Assistance Strategy for the Republic of Haiti for the Period FY09-FY12* (CAS) committed Bank Group support to the country's development priorities organized around three pillars – promoting growth and local development, investing in human capital, and reducing vulnerability to disasters. The first project objective was aligned with the pillar on growth and local development, specifically with the CAS objective to increase income-generating opportunities and provide access to finance and infrastructure services at the local and national levels. The second project objective was aligned with the pillar on reducing vulnerability to disasters, specifically with the CAS objective to strengthen the institutional capacity for disaster preparation, response, and recovery and integrate vulnerability reduction and risk management into national, sectoral, and local development strategies and programs.
- The *Country Partnership Framework for the Republic of Haiti for the Period FY16-FY19* (CPF) committed Bank Group support to the country's development priorities organized around four focus areas – inclusive growth, human capital, resilience, and governance. The first project objective was aligned with the focus area on inclusive growth, specifically with the CPF objective to increase the access of MSMEs to finance. The second project objective was aligned with the focus area on resilience. The *Performance and Learning Review of the Country Partnership Framework for the Republic of Haiti for FY16-FY19,* completed in 2018, concluded that the Bank and International Finance Corporation operations in Haiti over the CPF period "have helped achieve positive outcomes on access to finance for SMEs."

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve the conditions for private sector investment and inclusive growth.

Rationale

Theory of Change (at appraisal)**.** Given an unfavorable and difficult business environment, Haiti needed to update and improve the laws and regulations that governed private enterprise activity in the country. While insufficient to ensure a complete turnaround in the poor business environment in the country, the new laws and regulations would nonetheless provide the framework for future public and private actions to promote business development and encourage private investment. The efficacy of this reform would assume, among others, the existence of a functioning legislative body that could enact the proposed laws, a capable bureaucracy that would implement and administer the new laws and regulations, a business sector, and a public that would abide by the new laws, and, most obviously, the existence of the rule of law in the state. Also, given poorly performing MSMEs, which dominated the formal private sector, Haiti needed to invigorate and support MSMEs with services to link them to integrated economic zones. The provision of extensive business development services, advanced logistics services, and pooled matching grants to the MSMEs would alleviate market and coordination failures that prevented MSMEs from directly accessing markets in the integrated economic zones and raising their value added. The efficacy of these interventions would assume, at the very least, a secure country context, a favorable business environment, and an effective government that enabled enterprise activity and private investment to thrive. The degree of achievement of this objective would be measured, at the outcome level, by the: value of loans secured with moveable assets and the number of MSMEs benefitting from moveable collateral for loans; the number of reforms to the business environment and reductions to the time and cost to open and operate a business; and the number and amount of additional investments and number of additional jobs generated by this project, including additional jobs in MSMEs.

Outputs. There is no data (across the entire duration of the project) to measure the nine original output indicators defined for the objective of improving the conditions for private sector investment and inclusive growth. All nine original output indicators were dropped at the second restructuring:

- The business environment action plan (a process indicator that would have tracked progress in identifying reform priorities and implementing the associated action plan), with a target of "one to two reforms completed."
- The revision of the secured transactions law and the establishment of the movable collateral registry (a process indicator that would have tracked progress with the drafting, approval, and enactment of the secured transactions law and progress with the design, piloting, and establishment of the movable collateral registry), with a target by the fourth year of "movable registry in operation." This output indicator would be redefined at the second restructuring to consist of three separate output indicators instead, all process indicators: (a) secured transactions law revised and submitted to the Prime Minister's Office, with a target of "law submitted" (but this would also be dropped at the fourth restructuring); (b) revision of secured transactions law, establishment of collateral registry, with a target of "registry in operation" (but this would also be dropped at the third restructuring; and (c) electronic moveable collateral registry system (to secure loans) available for use by MSMEs, with a target of "registry available for use."
- The establishment of a competition legal framework (a process indicator that would have tracked progress with the diagnostics of the agribusiness and tourism sectors, the drafting, approval, and enactment of amendments to the competition law, and the training of government and private sector stakeholders), with a target by the third year of "laws/amendments submitted to Parliament."
- The creation of the integrated economic zone legal framework (a process indicator that would have tracked progress with the assessment and approval of the legal framework for integrated economic zones), with a target by the third year of an "action plan for integrated economic zone regulatory and institutional framework implemented."
- The completion of the integrated economic zone feasibility study (a process indicator that would have measured progress with the conduct of the integrated economic zone feasibility study), with a target by the second year of "study finalized."

- The creation of a One Stop Shop for investors (a process indicator that would have measured progress with the establishment of the One Stop Shop to facilitate investment into integrated economic zones), with a target by the third year of "One Stop Shop implemented."
- The percentage of municipalities with a completed needs assessment of MSMEs, for which the target was 100 percent.
- The cumulative percentage of selected firms receiving training, for which the target was 100 percent.
- The cumulative number of firms receiving matching grants, for which the target was 600.

Outcomes. There is no data (across the entire duration of the project) to measure the eight original outcome indicators defined for the objective to improve the conditions for private sector investment and inclusive growth. All eight original outcome indicators were dropped at the second restructuring:

- The value of loans secured with moveable assets, for which the target was US$10 million.
- The number of MSMEs benefitting from moveable collateral to secure loans, for which the target was 500.
- The number of reforms (to the business environment) measured by the Doing Business Report, for which the target was five.
- The number of specific reductions to the time/cost to open and operate a business, for which the target was six.
- The amount of additional investment facilitated by the project, for which the target was US$3.6 million.
- The number of additional investment projects facilitated by the project, for which the target was four.
- The number of new jobs created by new investments facilitated by the project (with disaggregation of the data by gender), for which the target was 1,008.
- The number of additional jobs in MSMEs supported by the project (with disaggregation of the data by region and by gender), for which the target was baseline plus 10 percent.

Rating
Negligible

OBJECTIVE 1 REVISION 1

Revised Objective
To improve the conditions for private sector investment and inclusive growth.

Revised Rationale
Theory of Change (at second restructuring)**.** Given an unfavorable and difficult business environment, Haiti needed to update and improve the laws and regulations that governed private enterprise activity in the country. While not, by itself, sufficient to ensure a complete turnaround in the poor business environment in the country, the new laws and regulations would nonetheless provide the framework for future public and private actions to promote business development and encourage private investment. The efficacy of this reform would assume, among others, the existence of a functioning legislative body that could enact the proposed laws, a capable bureaucracy that would implement and administer the new laws and regulations, a business sector, and a public that would abide by the new laws, and, most obviously, the existence of the rule

of law in the state. Also, given poorly performing MSMEs, which dominated the formal private sector, Haiti needed to invigorate and support MSMEs with services to link them to value chains in which the economy had a comparative advantage, especially to markets in which it enjoyed preferential trade agreements. The provision of extensive business development services, advanced logistics services, and pooled matching grants to the value chains and their constituent MSMEs would alleviate market and coordination failures that prevented MSMEs from directly accessing export markets and raising their value added. The efficacy of these interventions would assume, at the very least, a secure country context, a favorable business environment, and an effective government that enabled enterprise activity and private investment to thrive. At the outcome level, the degree of achievement of this objective would be measured by the amount of private investment in the value chains and the increase in value-added earned by MSMEs.

Outputs. The project achieved the target for 15 and partially achieved the target for one of the 24 output indicators defined (and redefined) for this objective, beginning from the second to the sixth restructuring.

- There is no data (across the entire project duration) to measure the total investment (matching grants and firm contributions) due to business improvement plans, for which the target was US$1.2 million. This indicator was introduced at the second but dropped at the fourth restructuring.
- There is no data (across the entire project duration) to measure the total investment (matching grants and firm contributions) due to Matching Grants for Common Services, for which the target was US$6 million. This indicator was introduced at the second but dropped at the fourth restructuring.
- The number of pre-bidding conferences conducted on the value chain tenders was 15 by November 2021, exceeding the target of seven set at the fourth restructuring.
- The number of firms providing new services in the selected value chains was 12 by November 2021, exceeding the target of four set at the fourth restructuring.
- The number of participants in public consultations reached 1,940 by November 2021, exceeding the target of 1,000 set at the second restructuring.
- The percentage of women participants in public consultations reached 25 percent by November 2021, partially achieving the target of 30 percent set at the fourth restructuring.
- There is no data (across the entire project duration) to measure the percentage of MSMEs participating in public consultations, with a target of 75 percent. This indicator was introduced at the third but dropped at the fourth restructuring.
- The number of MSMEs registered in the Ministry of Commerce and Industry project database was 3,141 by November 2021, exceeding the target of 1,200 set at the fourth restructuring.
- The number of women-owned or women-operated MSMEs registered in the Ministry of Commerce and Industry project database was 610 by November 2021, exceeding the target of 360 set at the fourth restructuring.
- There is no data (across the entire project duration) to measure the number of MSMEs given technical and managerial assistance by the Ministry of Commerce and Industry *Services d'Appui aux Entreprises* teams, for which the target was 900. This indicator was introduced at the second but dropped at the fourth restructuring.
- There is no data (across the entire project duration) to measure the average number of hours of technical and managerial assistance received by MSMEs, with a target of six. This indicator was introduced at the second but dropped at the fourth restructuring.
- The number of firms benefiting from private sector initiatives was 1,342 by November 2021, exceeding the target of 700 set at the fourth restructuring.

- The number of women-owned or women-operated firms benefiting from private sector initiatives was 267 by November 2021, exceeding the target of 210 set at the fourth restructuring.
- The number of firms located in the Southern region affected most by Hurricane Matthew, which benefitted from private sector initiatives, reached 426 by November 2021, exceeding the target of 360 set at the fourth restructuring (target based on an estimate of those affected by Hurricane Matthew – i.e., the 364 MSMEs registered under the project which were operating in the two coffee value chains in Grand'Anse Department and Sud Department, the vetiver oil value chain in Sud-Est Department, and the honey value chain in Nippes Department.
- The number of women-owned or women-operated firms in the Southern region affected most by Hurricane Matthew, which benefitted from private sector initiatives, reached 125 by November 2021, exceeding the target of 50 set at the fourth restructuring.
- There is no data (across the entire duration of the project) to measure the satisfaction of entrepreneurs/producers with the assistance provided by the Ministry of Commerce and Industry *Services d'Appui aux Entreprises* teams, for which the target was 70 percent. This indicator was introduced at the second but dropped at the fourth restructuring.
- The number of Haitian public servants who satisfactorily completed the Value Chain Strategic Analysis Program was 22 by November 2021, partially achieving the original target of 40 set at the second restructuring and the downwardly revised target of 30 set at the fourth restructuring but exceeding the twice-downwardly revised target of 20 set at the sixth restructuring. The Value Chain Strategic Analysis Program was developed under the multi-donor trust fund, Competitive Industries and Innovation Program grant. Following the training, participants were assessed on their understanding of value chain concepts and the quality of their participation in the program.
- The number of completed value chain diagnostics was 20 by November 2021, meeting the target of 20 at the fourth restructuring.
- The number of recommended laws, regulations, amendments, and codes presented to the Parliament was five by November 2021, exceeding the target of three at the second restructuring. The wording of this indicator was finalized at the fifth restructuring, revising the original "Number of recommended laws, regulations, amendments, codes enacted, or Government policies adopted" set at the second restructuring. Drafts were prepared for the following recommended laws, regulations, and codes: the Companies Act, the Leasing Law, the Matrimonial Regime Law, the Law on Electronic Signature, the Secure Transactions Law, the Self-Employed (Trader Status) Law, the Insolvency Law, and the Haiti Finance Law of 2020. Five laws were presented for formal enactment – two were submitted to Parliament, and three were approved by the President by decree.
- There is no data (across the entire project duration) to measure the process indicator secured transactions law revised and submitted to the Prime Minister's Office, with the target "Law submitted." This indicator was introduced at the second but dropped at the fourth restructuring.
- There is no data (across the entire project duration) to measure the process indicator revision of secured transactions law and establishment of collateral registry, with the target "Registry in operation" This indicator was introduced at the second but dropped at the third restructuring.
- The electronic moveable collateral registry system was completed and available for use by MSMEs, achieving the target set at the second restructuring. The system was launched on October 1, 2016.
- The number of MSMEs registered in the electronic moveable asset registry which were able to secure loans reached 91 by November 2021, exceeding the target of 50 set at the fourth restructuring.

- The number of women-owned or women-operated MSMEs registered in the electronic moveable asset registry which were able to secure loans reached 17 by November 2021, exceeding the target of 15 set at the fourth restructuring.

Outcomes. The project achieved the targets for three of the four outcome indicators defined (and redefined) for this objective beginning from the second to the sixth restructuring.

- Private sector investment in the supported value chains reached US$896,155 by November 2021, meeting only 18 percent of the original target of US$5 million set at the second restructuring but 90 percent of the downwardly revised target of US$1 million set at the sixth restructuring. This outcome indicator was introduced at the second restructuring. According to the Restructuring Paper of November 2021, the target was reduced at the sixth restructuring because the logistics provider for the mango value chain, which had planned to invest US$4 million in equipment, terminated its contract in 2020 because of "force majeure."
- The percentage increase in the value-added of the MSMEs supported by the project in the selected value chains reached 348 percent in November 2021, exceeding the original target of 15 percent set at the second restructuring and the upwardly revised target of 50 percent set at the sixth restructuring. This outcome indicator was introduced at the second restructuring. According to the Restructuring Paper of November 2021, the target was increased at the sixth restructuring because it was "observed" that MSMEs which used supply chain financing, the blockchain traceability technology, and the third-party business development services provided under the project were able to avoid relying on intermediaries and were able to exploit export markets more readily, raising their revenues and surpluses (e.g., as much as three times, in the mango value chain, albeit comparatively less in the coffee and cocoa value chains). The original 15 percent target would have been set too low.
- There is no data to determine the percentage increase in value added of "poorer" supported MSMEs (i.e., MSMEs with fewer than 50 employees and less than US$100,000 in annual revenue) in the selected value chains in the "poorest" Departments (i.e., Departments with a poverty rate above 60 percent, using 2014 Poverty Assessment data), with a target of 20 percent. This indicator was introduced at the second restructuring but dropped at the fifth restructuring.
- The percentage increase in the value-added of MSMEs supported by the project in the "poorest" Departments (i.e., Departments with a poverty rate above 60 percent, using 2014 Poverty Assessment data) reached 348 percent in November 2021, exceeding the original target of 15 percent set at the fourth restructuring and the upwardly revised target of 50 percent set at the sixth restructuring. This outcome indicator was introduced at the fourth restructuring. The reasons cited for the increased target at the sixth restructuring were the same as for the outcome indicator "percentage increase in the value-added of the MSMEs supported by the project in the selected value chains."

Revised Rating
Substantial

OBJECTIVE 2

Objective
To improve the capacity to respond promptly and effectively to an eligible emergency.

Rationale

Theory of Change. With Haiti highly at risk of hurricanes, floods, and earthquakes, a facility to help MSMEs cope with the economic effects of disasters would help MSMEs continue or restart their business operations, maintaining economic activity in the face of physical and environmental disruption. For firms, natural disasters destroy tangible assets, such as buildings, equipment, and human capital, thereby degrading their production capacity. These adverse impacts may sometimes be fatal to the firms and result in them being forced to close down and exit the market. Public aid may help damaged firms and prevent them from going into bankruptcy. The Immediate Response Mechanism would provide cash and in-kind assistance to MSMEs affected by crises or disasters to enable them to continue or restart activity. The efficacy of the mechanism would rest on key assumptions, including the existence of a coordinating authority able to deliver emergency assistance to MSMEs and a functioning payments system able to convey the assistance to MSMEs.

Outputs. There were no output indicators defined for this objective at appraisal.

Outcomes. There were no outcome indicators defined for this objective at appraisal.

Rating

Not Rated/Not Applicable

OBJECTIVE 2 REVISION 1

Revised Objective

To improve the capacity to respond promptly and effectively to an eligible emergency.

Revised Rationale

Theory of Change. The project development objective and the theory of change did not change with the second to the sixth restructuring.

Outputs. As at appraisal, no output indicators were defined for this objective at the second to the sixth restructuring.

Outcomes. The project achieved the targets for two of the three outcome indicators defined (and redefined) for this objective, beginning from the second to the sixth restructuring.

- There is no data to determine the time taken to disburse funds requested by the government for an eligible emergency, with a target of 30 days. This outcome indicator was introduced at the second but dropped at the fourth restructuring.
- The number of MSMEs that received cash or in-kind assistance to continue or restart productive activity in their value chain reached 1,250 by November 2021, exceeding the original target of 260 (target based on an estimate of those affected by Hurricane Matthew in 2016) set at the fourth restructuring and the revised target of 1,000 (target based on an estimate of those affected by Hurricane Matthew in 2016 and the Haiti earthquake in 2021) set at the sixth restructuring.
- The number of women-owned or women-operated MSMEs that received cash or in-kind assistance to continue or restart productive activity in their value chain reached 517 by November 2021, exceeding the original target of 40 (target based on an estimate of those affected by Hurricane Matthew in 2016)

set at the fourth restructuring and the revised target of 500 (target based on an estimate of those affected by Hurricane Matthew in 2016 and the Haiti earthquake in 2021) set at the sixth restructuring.

Revised Rating
Substantial

OVERALL EFFICACY

Rationale
The degree of achievement of the first objective to improve the conditions for private sector investment and inclusive growth is assessed as negligible. The degree of achievement of the second objective to improve the capacity to respond promptly and effectively to an eligible emergency is not rated. The overall efficacy is rated as negligible.

Overall Efficacy Rating	Primary Reason
Negligible	Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale
The degree of achievement of the first objective to improve the conditions for private sector investment and inclusive growth is assessed as substantial. The degree of achievement of the second objective to improve the capacity to respond promptly and effectively to an eligible emergency is assessed as substantial. The overall efficacy is rated as substantial.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Economic Efficiency. The Project Appraisal Document computed an economic rate of return (ERR) for the project of 23 percent over a five-year window (2013-2018).

- The ERR applied to two parts of the project – (a) the support for new integrated economic zones, an original part of the Business Environment and Investment Generation component (see Section 2.D), which would generate new foreign direct investment (FDI); and (b) the business development service activities (the Business Development Services for MSMEs component (see Section 2.D) which would increase sales and income of enterprises.

- For foreign direct investment, it was assumed that investment promotion and facilitation activities (cost of US$ 3 million) would lead to an increase in FDI of 2 percent, with the benefits accruing over time – zero benefits in 2014 and 2015, 20 percent of full benefits in 2016, 50 percent of full benefits in 2017, until the full benefits (i.e., the full 2 percent FDI increase) were achieved by 2018. According to the PAD, the assumptions were conservative compared to the analyses of similar projects in Slovakia and Zimbabwe (Morisset, 2003, *Does a Country Need a Promotion Agency to Attract Foreign Direct Investment? A Small Analytical Model Applied to 58 Countries*, World Bank Policy Research Working Paper 3028).
- For business development services, business development support (cost of US$7 million) would lead to increases in income and sales of between 28 percent and 120 percent over control groups and a multiplier effect of 1.5 times across the local economy of a return to business development services of 5 percent. According to the PAD, the assumptions were conservative compared to the analyses of similar projects in Bangladesh, Bolivia, Mexico, and Zambia (Duflo and Karlan, 2012, *Can Management Consulting Help Small Firms Grow?*, Stanford Social Innovation Review; McKernan, 2002, *The Impact of Microcredit Programs on Self-Employment Profits: Do Noncredit Program Aspects Matter?*, Review of Economics and Statistics, 84 (1); Copestake et. al., 2001, *Assessing the Impact of Microcredit: A Zambian Case Study*, Journal of Development Studies, 37 (4); and Nisttahusz et. al., 2002, *La Importancia de los Servicios de Desarrollo Empresarial en el Desarrollo de la Micro y Pequefia Empresa y su Relacion con las Microfinanzas*, Funda-Pro, Bolivia).

The ICR estimated an ERR of 27 percent, using the same assumptions and methodologies as at appraisal, but applied to the restructured project over a longer eight-year window (2013-2021).

- The ERR was higher because the project was reoriented and funds were reallocated toward activities with higher rates of return. The amount of US$8 million from Investment Generation was allocated to Business Development Services, in which the Government provided business development services (cost of US$3 million) and matching grants (cost of US$4 million) with returns that were higher than those from investment promotion activities for integrated economic zones.

Operational Efficiency. The effectiveness of the project was delayed by two months. The project was implemented three and a half years longer than originally planned. An undisbursed SDR 3.65 million was canceled from the original IDA credit of SDR 13.4 million, around 27 percent of the original financing. The ICR cited the following operational inefficiencies:

- Institutional capacity problems: (a) the closure of Parliament in January 2020 derailed the enactment of several laws drafted under this project; (b) staff turnover at the Ministry of Commerce and Industry stalled progress with the competition assessment of two sectors; and (c) efforts to strengthen institutional capacity were weakest.
- Procurement problems: (a) the poor procurement performance (see Section 10. B) limited the time available to pilot product shipments in some value chains; (b) the procurement problems also affected the level of private investment in the value chains (an outcome indicator); (c) the delay in the procurement of the electronic payments system solution impaired the delivery of assistance to Immediate Response Mechanism beneficiaries; and (d) the contract to build four mobile packing units for mangoes and avocados could not be completed and had to be transferred from this project to the new Haiti Private Sector Jobs and Economic Transformation Project (approved in September 2021 for US$75 million to encourage labor demand by supporting MSMEs).
- Bureaucratic problems: (a) while the project met the target for the number of MSMEs that received cash or in-kind assistance from the Immediate Response Mechanism, these represented only 53 percent of

eligible beneficiaries (the emergency assistance uptake in similar Bank projects in comparable countries was 70 percent); (b) the administrative cost to the Government of delivering the assistance was high; (c) the poor state of the electronic and mobile payments system in Haiti, relative to the comparable countries, was a material factor.

Although the project's economic efficiency was higher at closing than at appraisal, the operational inefficiencies dragged down the efficiency rating.

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	✓	23.00	50.00 ☐ Not Applicable
ICR Estimate	✓	27.00	0 ☐ Not Applicable

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

6. Outcome

Based on a split evaluation, the outcome of the project is rated moderately unsatisfactory.

	Original	Restructured (Second Restructuring)
Relevance of Objectives	Substantial	
Efficacy		
Objective 1 - To improve the conditions for private sector investment and inclusive growth	Negligible	Substantial
Objective 2 - To improve the capacity to respond promptly and effectively to an eligible emergency	Not rated	Substantial
Overall Efficacy	Negligible	Substantial
Efficiency	Modest	
Outcome Rating	Unsatisfactory	Moderately Satisfactory
Outcome Rating Value	2	4
Amount Disbursed, Cumulative, US$ million	5.07	13.58
Amount Disbursed, Period, US$ million	5.07	8.51
Disbursement, percent	37	63
Weight Value	0.74	2.52

Total Weights	3.26
Overall Outcome Rating	Moderately Unsatisfactory

Total disbursement = US$13.58

a. Outcome Rating
Moderately Unsatisfactory

7. Risk to Development Outcome

The risks to the sustainability of the development outcomes achieved by this project are high.

Security and Political Risk. The assassination of the President in July 2021, four months before the closing of this project, has thrown Haiti into political turmoil with no clear line of presidential succession, a resigned Prime Minister, no elected officials (all terms have expired), a non-functioning Parliament, and only an acting head of an interim government with questionable legitimacy. The power vacuum has resulted in extreme insecurity with gangs and armed groups controlling vast swathes of the country, blocking roads, hijacking the oil infrastructure, and committing murders and kidnappings. A "failed state" scenario (a U.N. proposal for an international rapid action force to wrest power from the gangs has not materialized so far) will unravel the gains made by this project – the approval of the laws drafted by this project, their implementation, the provision of business development services to MSMEs, the operation of the movable asset registry, and economic activity by the MSMEs themselves if utility, transport, and logistics services and even farming activities were increasingly disrupted.

Macroeconomic Risk. Haiti has been in economic recession since 2019 and baseline forecasts expect another recession in FY23 amid a deteriorating political crisis and escalating gang violence that has curtailed economic activity (World Bank, *Macro Poverty Outlook for Latin America and the Caribbean - Spring Meetings 2023*). The continuing downturn, bannered by a forecast 44 percent decline in fixed investment and 40 percent rise in inflation, will likely further weaken productive capacity and pose downside risks to the gains made by this project – principally, economic production by MSMEs in the coffee, vetiver oil, and honey value chains. Unstable macroeconomic conditions will likely damage the business environment, which the project had aimed to improve with new business environment laws and regulations.

Natural Disaster Risk. Haiti, which has never fully recovered from the magnitude 7.0 earthquake in 2010 (which killed 300,000), has been hit by successive natural disasters since – Hurricane Sandy in 2012, Hurricane Matthew in 2016, a magnitude 5.9 earthquake in 2018, Hurricane Laura in 2020, and a magnitude 7.2 earthquake in 2021. The country's vulnerability to natural disasters will remain a persistent source of risk, including for the measures adopted under this project – an immediate response mechanism of cash and in-kind assistance to MSMEs affected by an emergency – should the Government continue it. The mechanism was only partly used by eligible beneficiaries (a 53 percent uptake). Given that the obstacles – high administrative costs and a poor mobile payments system – are unlikely to be addressed in the near term, the viability of the scheme, if it were to be continued by the Government, remains at risk. The availability of Government resources to fund the scheme is also questionable given the current state of public finances.

8. Assessment of Bank Performance

a. Quality-at-Entry

Analytical Underpinnings. The project was informed by analytic work produced by the Bank and other sources related to integrated economic zones, matching grants schemes, and natural disaster response operations.

- World Bank, 2008, *Special Economic Zones Performance, Lessons Learned, and Implications for Zone Development*.
- Campos et al., 2012, *Learning from the Experiments that Never Happened: Lessons from Trying to Conduct Randomized Evaluations of Matching Grant Programs in Africa*, World Bank Policy Research Working Paper No. 6296.
- David and Hazel, 2011, *Natural Disaster Response: Lessons from Evaluations of the World Bank and Others.*

Project Preparation Process. Project preparation was lengthy and costly, and even then, the project had to be redesigned two years after the effectiveness date to change the focus of the operation from integrated economic zones to agricultural value chains.

- The Bank had to deal with a difficult country context marred by a high turnover rate among counterpart Government officers and by shifting Government priorities. According to the ICR, it took time to obtain an agreement on a project design that would be submitted for approval.
- The ICR also faulted internal Bank decisions contributing to the lengthy and costly design phase. The composition of the large Bank technical design team changed several times over. The Bank transferred a large tourism project component to another operation, narrowing the scope of this project.

Operational Risks and Mitigation Measures. The Bank considered governance risk, environmental and social risk, delivery monitoring, and sustainability risk high (PAD, Annex 4 - Operational Risk Assessment Framework, pages 49-52). Mitigation measures were well considered.

Implementation Arrangements. Plans for environmental and social safeguards compliance (PAD, Annex 3 - Implementation Arrangements, pages 42-45) and project administration, procurement, and financial management (PAD, Annex 3 - Implementation Arrangements, pages 32-42) were adequate and aligned with Bank standards.

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

The Bank supervised the project regularly: (a) it filed 17 Implementation Status and Results Reports (ISRs), or two a year, the average for Bank investment project financing operations; (b) it also filed five Aide Memoires for supervision missions in 2015, 2017, 2018 and 2019; and (c) it conducted a mid-term review on May 14, 2018.

According to the ICR, the Bank supervision faced considerable challenges.

- The Bank had a limited presence in the country during the later years of the project and as the COVID-19 pandemic struck. Mobility restrictions were aggravated by supervision resource problems. In many cases, the Bank had to improvise with virtual implementation support missions.
- Project procurement issues and problems, including with the Bank's own procurement supervision, exacerbated the already weak capacity of the Government with procurement. There was a high turnover rate among procurement specialists, coupled by poor staff transition arrangements. The services needed for the supply chain activities were technically complex (e.g., cold chain logistics services, and blockchain traceability and payments solution). Limited experience with these complex procurement types delayed the procurement process.
- The deterioration of security and political conditions in an already tenuous fragility, conflict, and violence (FCV) country setting rendered project implementation and Bank supervision increasingly difficult over the course of the project. The project team found it hard to "ascertain the magnitude of emerging challenges and the effectiveness of deployed solutions."
- Although the standard for the average annual number of ISRs was achieved, the ISRs in the later years took longer to produce and to clear (eight- rather than six-month intervals) as data collection became more difficult.

Altogether, the quality of supervision is rated satisfactory based on the following grounds reported by the ICR.

- The task team was led by experienced professionals in private sector development and value chain competitiveness. The team provided able implementation support on technical issues.
- The Bank acted decisively with the Ministry of Commerce and Industry to restructure the project in 2015 and reorient the focus of the operation from the development of new integrated economic zones to the development of value chains principally in agriculture (see Section 2.E) that were previously identified by a study jointly conducted with the United Nations Development Programme (UNDP).
- The Bank also restructured the project five other times to help ensure the completion of the project.
- The Bank took extraordinary steps to help with project implementation – it organized roadshows in various international locations to ensure sufficient bids in tenders issued for the project; it tapped financial sources from supplemental Bank projects to fund the field assignment of a task team leader during the early years of project implementation; and it proactively delivered institutional capacity building services to the Project Coordination Unit and to other Government agencies.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project design laid out plans for a monitoring system that would be established by the Ministry of Commerce and Industry with the assistance of the Bank and implemented by the Project Coordination Unit under the Ministry of Economy and Finance. The initial plan called for (a) the use of data from the Ministry of Commerce and Industry, the Investment Promotion Agency, the Directorate of Free Zones, and the new Integrated Economic Zones Authority to track jobs created and private investments made; (b) the use of the Bank's *Doing Business* data for investment climate reforms; and (c) the organization of distinct systems to measure the results of the various project activities. The design also included an evaluation plan focused on assessing: (a) the impact of the proposed secured transactions law on lending to MSMEs and (b) the effect of various business development services on the performance of the MSMEs supported by the project.

b. M&E Implementation

While the institutional arrangements for the M&E remained intact during implementation, the results indicators changed with the six rounds of project restructuring. Most notably, the second restructuring of December 2015, which reoriented the focus of the first project component from the construction of integrated economic zones to the development of value chains (mainly in agriculture), dropped eight of the original output and seven of the original outcome indicators and replaced them with 10 new output and four new outcome indicators. The fourth restructuring of December 2017 also dropped six output indicators and replaced them with four new ones. Meanwhile, one outcome indicator was revised to better reflect the result of the fourth project component, the Immediate Response Mechanism, which was activated after Hurricane Matthew struck. Moreover, five output indicators and one outcome indicator were gender-disaggregated. By the time of project closing, the project's efficacy was to be measured by a final set (i.e., excluding dropped indicators) of 16 output and three outcome indicators for the first objective and two outcome indicators for the second objective. Altogether, the final revised set of output and outcome indicators adequately reflected the impact of the project activities. The gender-disaggregated objective was also relevant to the gender dimension of the project objectives.

However, two headline output indicators – the Number of MSMEs registered in the Ministry of Commerce and Industry project database and the Number of firms benefiting from private sector initiatives – are too aggregated to reflect the separate results of related but very distinct project interventions – the extension of business development services, the delivery of logistics services, and the provision of pooled matching grants to value chains and MSMEs. For example, the data does not tell how many value chains and how many MSMEs in these value chains were targeted to receive matching grants or how many matching grants were finally delivered to which value chains and locations.

c. M&E Utilization

The M&E data were useful to the preparation of the ICRs, the conduct of the mid-term review, and the initiation and completion of six rounds of project restructuring. Following the December 2015 restructuring, a sophisticated and innovative range of M&E tools and system was developed, including using the following tools: Open Data Kit (ODK) for data collection; Google Streak (a Customer Relations Management (CRM) software); and ONA.io (a data aggregator and visualizer). Various data was collected by these tools and then the data was integrated into a comprehensive database (DOBO database). According to the ICR team, framework is also being utilized by other World Bank projects in fragile contexts, including Haiti.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental Safeguards. The project was rated at appraisal as an environmental category B project (some type of environmental assessment/review/plan is required, but limited in scope and flexible in structure, reflecting the corresponding limited environmental impacts of the project and the anticipated relatively straightforward mitigation). The project triggered environmental safeguard policies OP 4.01 - Environmental Assessment, OP 4.04 - Natural Habitats, OP 4.09 - Pest Management, OP 4.36 - Forests, and OP 4.11 - Physical Cultural Resources. An Environmental and Social Management Framework was prepared and disclosed on April 11, 2013, addressing the screening criteria for MSME matching grant sub-projects, their likely environmental and social impacts, and the measures to mitigate the identified risks. The framework was updated following the second restructuring in 2015, which dropped support for integrated economic zones. According to the ICR, the project completed all planned mitigation activities and complied with all applicable safeguards policies during implementation.

Social Safeguards. Based on the original design, which included integrated economic zones, the project triggered social safeguard policy OP 4.12 - Involuntary Resettlement on the expectation that the creation of an integrated economic zone using feasibility studies supported by the project might involve land acquisition, use of eminent domain and related measures, and have impacts on surrounding communities. The trigger ceased to apply after the second restructuring in 2015, which dropped support for integrated economic zones.

Compliance with safeguards was rated moderately satisfactory in the last ISR of November 29, 20121.

b. Fiduciary Compliance

Procurement. The Bank recognized at the appraisal that the overall public procurement system in Haiti was weak; most agencies had not adopted improved contracting practices (part of the post-2010 administrative reforms) because of capacity constraints. The Bank rated procurement risk as substantial but offered several mitigation measures: (a) fiduciary responsibility would be assumed by the Project Coordination Unit at the Ministry of Finance and Economy (considering that the Ministry of Commerce and Industry did not have the in-house capacity to implement Bank projects); (b) an annex to the Operations Manual would detail the institutional arrangements for procurement; (c) a Bank procurement team would provide implementation support to the Project Coordination Unit; and (d) a special training on procurement practices for matching grants operations would be offered to the Project Coordination Unit and the Ministry of Commerce and Industry in coordination with Inter-American Development Bank.

Procurement was marred by error and delays during implementation: (a) the separation of the fiduciary function (assigned to the Project Coordination Unit under the Ministry of Economy and Finance) from the Ministry of Commerce and Industry caused coordination problems; (b) contract approval was assigned to senior managers in the Ministry of Economy and Finance, creating approval backlogs; (c) the specifications for services needed for the supply chain activities were technically complex (e.g., cold chain logistics services, and blockchain traceability and payments solution); (d) there was limited experience with these complex procurement types; (e) there was scant international interest in tenders by Haiti. Procurement delays contributed to operational inefficiencies (see Section 5).

Procurement was rated moderately unsatisfactory in the last ISR of November 29, 20121.

Financial Management. The project design called for the implementation of financial management by the Project Coordination Unit, with regular implementation support provided by the Bank. For business development services under the second project component, Project Coordination Unit would be provided special training on financial management practices for matching grants operations.

There were shortcomings with financial management during implementation, although they were moderate: (a) the Internal Control Unit at the Project Coordination Unit was not functional; (b) the accounting system did not automatically produce the project Interim Financial Report – instead, data were exported manually to Excel files; and (c) the conduct of audits was delayed (an overdue audit for FY15 downgraded financial management performance to moderately unsatisfactory once).

Financial management was rated moderately satisfactory in the last ISR of November 29, 20121.

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Unsatisfactory	A split evaluation, with the original project rated negligible for efficacy and unsatisfactory for outcome (37 percent weight),

			drags down the overall outcome rating to moderately unsatisfactory (see Section 6).
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

Three lessons are drawn from the ICR, with some adaptation.

The development of value chains offers a viable approach to a business development and investment facilitation program anchored on MSMEs. This restructured project targeted sectors in which the economy had a comparative advantage: in agriculture – coffee, cocoa, avocado, mango, honey, and vetiver oil; and in light manufacturing – apparel. It targeted markets in which countries had preferential trade arrangements – the U.S., Canada, and Europe. And it picked three interventions that would be crucial to help MSMEs overcome market and coordination failures in their drive to link to value chains and access foreign markets – business development services, logistics services, and pooled matching grants. The successor operation, the Haiti Private Sector Jobs and Economic Transformation Project will scale up this strategy. According to the ICR, the Bank has since adopted this approach in similar industrial support and value chain competitiveness projects in Belarus, Cote d'Ivoire, Croatia, the Dominican Republic, Egypt, Jordan, Peru, and Tunisia.

The Immediate Response Mechanism should help firms continue or restart business operations during disasters, but planners need to be aware of the operating assumptions for this emergency measure to be effective. In this project, the scheme uptake was only 53 percent among eligible beneficiaries, bogged down by the high administrative cost of delivering emergency assistance during a crisis and the poor state of the electronic and mobile payments system in Haiti. In countries where the electronic and mobile payments system was relatively more developed and more widely used, the uptake was 70 percent. In a Bank social protection project in Haiti, the uptake by eligible beneficiaries was 85 percent, but using cash payments, according to the ICR.

The in-country presence of task teams is beneficial in FCV country settings where institutional capacity is weak, and project experience is limited. In this project, the field presence of the task team leader in Haiti during the early phase of project implementation helped the Bank understand the rapidly changing country context for the operation. The field presence of the task team leader also facilitated the second restructuring of the project, which shifted the focus of the operation from the development of new integrated economic zones to the development of value chains in agriculture. The Bank had a limited in-country presence during the later phase of project implementation. An important procurement could not be completed in time, and monitoring and evaluation work lagged.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is in general consistent with OPCS guidelines on ICRs for investment project financing operations, except that the ICR did not conduct a split evaluation of the project.

The document is concise and yet comprehensive enough to cover all six project restructuring episodes.

The account of the implementation of the project activities is candid.

The efficacy assessment is outcome-oriented and based on the degree of achievement of the results targets.

The ICR presents ample evidence to support its assessment of the project's efficiency, the Bank’s performance at design and implementation, and the project's M&E design and implementation.

a. Quality of ICR Rating
Substantial