



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 13-Nov-2020 | Report No: PIDA30446



BASIC INFORMATION

A. Basic Project Data

Country Haiti	Project ID P174111	Project Name HT Adaptive Social Protection for Increased Resilience	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 01-Dec-2020	Estimated Board Date 26-Feb-2021	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Social Affairs and Labor	

Proposed Development Objective(s)

The PDO is to deliver cash transfers to targeted households and establish the foundations for an adaptive safety net system in Haiti to respond to shocks, including COVID-19.

Components

- Delivery of an adaptive social safety net
- Establishing the foundations for an adaptive social protection system
- Project Management, Monitoring and Evaluation
- Contingency Emergency Response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

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

DETAILS

World Bank Group Financing

International Development Association (IDA)	75.00
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IDA Grant	75.00
Environmental and Social Risk Classification	
Substantial	
Decision	
The review did authorize the team to appraise and negotiate	

B. Introduction and Context

Country Context

- Haiti has not made substantial progress towards eradicating poverty in the last decade.** With an estimated Gross Domestic Product (GDP) per capita of US\$790 in 2019 and a population of around 11 million, Haiti is the poorest country in the LAC region and among the poorest countries in the world. Economic growth in the country has been stagnant in the past decade, and GDP was estimated to have contracted by 0.9 percent in FY 2019. Official poverty data indicates that 58.5 percent of the population was poor in 2012, compared to an estimated 57 percent in 2017. One-quarter of the population lives below the extreme poverty line. The gap between urban and rural areas is increasing with poverty becoming an increasingly rural phenomenon.
- Households in Haiti are largely unprotected against multiple economic shocks.** Poverty is widespread and deep and perpetuated by human capital eroding coping strategies to cope with multiple shocks, including reducing food consumption, education expenditures, and forgoing healthcare. The consequences of these inadequate coping mechanisms are multi-dimensional and contribute to worsen health and education outcomes.
- The Haitian population suffers from high levels of food insecurity.** Haiti has one of the highest levels of chronic food insecurity in the world and is currently facing a food security crisis, recognized as a humanitarian emergency by the United Nations. Rising staple food prices, the depreciation of the gourde, socio-political unrest, deteriorating security conditions, and the decline in agricultural production due to the 2018 drought have greatly reduced access to food for the poorest households. About 40 percent of the population suffers from acute food insecurity, with more than a million individuals reaching emergency malnutrition levels. This crisis primarily affects rural areas (42 percent), but also urban slums (31 percent), especially in the Port-au-Prince metropolitan area. Children are particularly vulnerable to food insecurity, with 23 percent of children in Haiti being chronically malnourished. Moreover, severe malnutrition rates increased from 4 percent in 2017 to 6 percent in 2019.
- Poverty and vulnerability in Haiti have been further exacerbated by the economic lockdown (“Peyi Lok”) in 2019 and the COVID-19 pandemic and associated economic downturn in 2020.** The COVID-19 pandemic is expected to have long-lasting effects on household welfare as well as consequences for the healthcare system, poverty, and the economy. At the household level, COVID-19 will affect labor and non-labor income, consumption (including to meet basic food and healthcare needs), and access to health and education services, all of which are critical for the promotion of human capital.



Sectoral and Institutional Context

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

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

Relationship to CPF

7. **The proposed project aligns well with the main objectives of Haiti’s Country Partnership Framework and its adjustment to support the GoH’s response to COVID-19 crises.** The proposed Project is well aligned with the WB Group’s Country Partnership Framework (CPF) for the Republic of Haiti FY16-19¹ published in 2015.² Building a well targeted and sustainable safety net system is consistent with the CPF’s the three main areas of focus: (1) inclusive growth, (2) human capital, and (3) resilience and the cross-cutting themes of transparency, accountability and sustainability by strengthening the country’s natural disaster preparedness with a rapid response mechanism to provide income support to the vulnerable populations with the largest needs. It will also align with the Country Program Adjustment Responding to COVID-19, in particular its thematic pillar focusing on the social response for protecting poor and vulnerable people from the impact of the economic and social crisis triggered by the pandemic.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

8. The PDO is to provide a safety net to targeted households and establish the foundations for an adaptive safety net system in Haiti to respond to shocks, including COVID-19

¹ Report No. 98132-HT, published on August 27.th

² The CPF period was originally set from 2015 to 2019. However, after the Performance and Learning Review (PLR) of the CPF was completed in 2018, CPF milestones were extended until 2021 while a new CPF is prepared.



Key Results

1. Number of targeted beneficiaries receiving the cash transfer, by gender
2. Percentage of direct beneficiaries who are female
3. Number of households added to SIMAST
4. Number of households with updated SIMAST information
5. Adoption of standard operating procedures to scale up cash transfers in response to shocks

D. Project Description

Direct Project Beneficiaries

9. **Direct Project beneficiaries will include poor and vulnerable households.** Households with small children, pregnant women and/or persons with disability, living in vulnerable areas, will be targeted with cash transfers and accompanying measures. Targeting of beneficiaries will be conducted in two stages, first with a selection of priority geographic areas, and thereafter with a selection of households in the identified areas, building on the Haitian Deprivation and Vulnerability Index included in the MAST's social registry SIMAST (*Système d'Information du Ministère des Affaires Sociales et du Travail*).

Project Components

The Project will include four components:

10. **Component 1 : Delivery of an adaptive social safety net (60 million USD).** This component will provide income support and potential accompanying measures to targeted households. Activities supported under Component 1 will seek to promote households' resilience, defined as the ability for households to prepare for, cope with, and adapt to shocks, through both cash transfers and accompanying measures complementing each other in a manner that protects households' well-being and minimizes shocks' negative impacts.

11. **Component 2: Establishing the foundations for an adaptive SSN system (9 million USD).** This component will develop the capacity of the MAST to deliver SSNs to poor and vulnerable households. Activities in Component 2 will seek to: expand and improve the social registry (SIMAST), develop and implement a strategy to gradually institutionalize the registry and the delivery of an adaptive SSN in MAST, develop a management information system (MIS), including a payment platform, for the MAST to enable key delivery mechanisms and grievance redress mechanism (GRM), as well as strengthen the governance of the NSPPP and capacity of its stakeholders.

12. **Component 3: Project Management and Evaluation (6 million USD).** This component will support project management and coordination, including the establishment of a Project Implementation Unit (PIU) at MAST and responsible for Project monitoring and evaluation, procurement, financial management, safeguards, and citizen engagement.

13. **Component 4: Contingency Emergency Response Component – CERC (0 USD).** This provisional component is designed as a mechanism for rapid response in the event of an eligible emergency, with an activation upon request from the Government of Haiti.



Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

Based on existing information, the environmental risks associated with this project are considered low. The main potential risk is inadequate or improper use and disposal of project-procured PPE to ensure worker safety during COVID-19. Factors to be assessed during project preparation include the capacity of WFP to safely collect, store and dispose of used PPE and other waste materials that may be generated during project-financed activities.

Social risks are assessed as Substantial. Some of the most salient issues under the project activity is the identification of extremely poor households, and vulnerable populations, including female headed households and people with disabilities, entitled to receive cash transfers. It is critical, thus, to ensure that the measures to reach the extreme poor are effective. This will be addressed through the development of a fair and transparent Standard Operating Procedure for the targeting, registration and payment of beneficiaries and investing in robust M&E systems.

E. Implementation

Institutional and Implementation Arrangements

14. **The MAST will be the project implementing entity responsible for coordinating and supervising the implementation of the project.** MAST is recognized in the NSPPP as the leading agency in the social protection system with a mandate over social assistance, social insurance, and labor market regulation. MAST will set up a project implementation unit (PIU) to support implementation and have fiduciary responsibility.

CONTACT POINT

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APPROVAL

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