

Document of  
The World Bank

FOR OFFICIAL USE ONLY

Report No: 64574-HT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED IDA GRANT

IN THE AMOUNT OF SDR 25.1 MILLION  
(US\$40 MILLION EQUIVALENT)

AND

A PROPOSED GRANT

FROM THE GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM  
(GAFSP)

IN THE AMOUNT OF US\$10 MILLION

TO THE

REPUBLIC OF HAITI

FOR A

RELAUNCHING AGRICULTURE: STRENGTHENING AGRICULTURE PUBLIC  
SERVICES II PROJECT

October 31, 2011

Agriculture and Rural Development  
Latin America and Caribbean Region

This document is being made publicly available prior to Board consideration. This does not imply a presumed outcome. This document may be updated following Board consideration and the updated document will be made publicly available in accordance with the Bank's policy on Access to Information.

## CURRENCY EQUIVALENTS

(Exchange Rate Effective July 31, 2011)

Currency Unit	=	Gourdes (HTG)
HTG 40.48	=	US\$1
US\$ 0.625	=	SDR 1

## FISCAL YEAR

October 1 – September 30

## ABBREVIATIONS AND ACRONYMS

AOP	Annual Operating Plans
BAC	Agriculture Communal Office ( <i>Bureau Agricole Communale</i> )
CAS	Country Assistance Strategy
CDD	Community Driven Development
CIDA	Canadian International Development Agency
CNSA	National Food Security Commission ( <i>Commission Nationale de Securite Alimentaire</i> )
CNIGS	National Geospatial Information Center ( <i>Centre National d'Information Géographique Spatiale</i> )
DA	Designated Account
DAAF	Directorate of Administrative and Financial Affairs
DASP	Departmental Agricultural Service Platform
DDA	Departmental Agriculture Directorate ( <i>Direction Départementale d'Agriculture</i> )
DEEDS	Economic Development for a Sustainable Environment Rural Supply Chain Development Project ( <i>Projet de Développement de Filières Rurales</i> )
DEFI	
DRF	Research and Training Directorate ( <i>Direction de Recherche et Formation</i> )
DG	Direction General
DSE	Directorate of Monitoring and Evaluation ( <i>Direction de Suivi et Evaluation</i> )
DSNCRP	Poverty Reduction National Strategy Document
EA	Environmental Analysis
EMP	Environmental Management Plan
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization
FM	Financial Management
GAFFSP	Global Agriculture and Food Security Program
GAP	Gender Action Plan
GDP	Gross Domestic Product
GSB	Animal Health Committee ( <i>Groupe Sante Betes</i> )
GSP	Plant Health Committee ( <i>Groupe Sante Plantes</i> )
HH	Household
IADB	Inter-American Development Bank
IDA	International Development Association
IFAD	International Fund for Agriculture and Development
IFR	Unaudited Interim Financial Report
IHRC	Interim Commission for the Reconstruction of Haiti
IICA	Inter-American Institute for Cooperation on Agriculture
IRR	Internal Rate of Return
IS	Implementation Support
ISO	International Organization for Standardization
LAC	Latin America and the Caribbean Region
M&E	Monitoring and Evaluation
MARNDR	Ministry of Agriculture, Natural Resources and Rural Development
MCFDF	Ministry of Woman's Affairs
MEF	Ministry of Economic and Finance
MIS	Management Information System
MPCE	Ministry of Planning and External Cooperation
MSF	Market Support Facility
NAIP	National Agriculture Investment Plan

NASCC	National Agricultural Services Coordination Committee
NGO	Non Government Organizations
OIE	World Organization for Animal Health
OM	Operations Manual
OMRH	Office de Management et des Ressources Humaines
ORAF	Operational Risk Assessment Framework
ORE	Organisation pour la Réhabilitation de l'Environnement
PDNA	Post-Disaster Needs Assessment
PDO	Project Development Objective
PDVA	Plan Directeur de Vulgarisation Agricole
PEMFAR	Public Expenditure Management and Financial Accountability Review
PFM	Project Financial Management
PIU	Project Implementation Unit
PM	Procurement Management
	Natural Disaster Mitigation Program ( <i>Programme de Mitigation de Désastres Naturelles</i> )
PMDN	
PPCR	Pilot Program for Climate Resilience
PRECONIA	Prevention and Control of Avian Flu and other Zoonoses
PRODEP	Participatory Development Program ( <i>Programme de Développement Participatif</i> )
RECOCARNO	Réseau des Coopératives Caféières de la Région Nord
RESEPAG I	Strengthening of Agricultural Public Services Project
R&D	Research and Development
SNRE	National Water Resources Service ( <i>Service National des Ressources en Eau</i> )
SPS	Sanitary and Phytosanitary Services
TOR	Terms of Reference
TTL	Task Team Leader
UEP	Programming and Studies Unit
USAID	United States Agency for International Development
WHO	World Health Organization
USAID	United State Agency for International Development

Regional Vice President:	Pamela Cox
Country Director:	Alexandre Abrantes
Sector Director:	Ede Jorge Ijjasz-Vasquez
Sector Manager:	Ethel Sennhauser
Task Team Leader:	Diego Arias



## Table of Contents

I.	Strategic Context.....	1
A.	Country Context.....	1
B.	Sectoral and Institutional Context.....	1
C.	Higher Level Objectives to which the Project Contributes.....	4
II.	Project Development Objectives (PDO).....	5
A.	Project Beneficiaries.....	5
B.	PDO Level Results Indicators .....	6
C.	Project Description .....	6
D.	Project components.....	7
E.	Project Financing.....	9
F.	Lessons Learned and Reflected in the Project Design .....	10
G.	Implementation.....	11
H.	Sustainability .....	12
I.	Key Risks and Mitigation Measures .....	13
J.	Appraisal Summary.....	13
	Annex 1: Results Framework and Monitoring.....	18
	Annex 2: Detailed Project Description .....	22
	Annex 4 Operational Risk Assessment Framework (ORAF).....	49
	Annex 5: Implementation Support Plan.....	52
	Annex 6: Team Composition.....	54
	Annex 7 - Map of Project (NAIP) Priority Areas .....	55
	Annex 8 - Additional Annexes .....	56
	(in file and available upon request).....	56



# PAD DATA SHEET

*Republic of Haiti*  
**Relaunching Agriculture:**  
**Strengthening Agriculture Public Services II (RESEPAG II)**

## PROJECT APPRAISAL DOCUMENT

*Latin America and Caribbean Region*  
*Agriculture and Rural Development*

Date: October 31, 2011 Country Director: Alexandre Abrantes Sector Director: Ede Jorge Ijjasz-Vasquez Sector Manager: Ethel Sennhauser Team Leader(s): Diego Arias Project ID: P126744 Lending Instrument: Specific Investment Grant	Sector(s): Agriculture Extension and Research (70%); Animal Production (30%). Theme(s): Rural policies and institutions (P); Rural services and infrastructure (S) EA Category: B
--	---

### Project Financing Data:

Proposed terms:

Loan    Credit    Grant    Guarantee    Other:

Standard IDA grant terms.

Source	Total Amount (US\$M)
Total Project Cost:	50
Cofinancing (GAFSP):	10
Borrower:	-
Total Bank Financing:	40
IBRD	-
IDA	40
New	40
Recommitted	-

Borrower:

Ministry of Economy and Finance  
 Palais des Ministères  
 5, Ave Charles Summer/Turgeon  
 Port-au-Prince  
 Haiti  
 Fax: 509-222-4222

Responsible Agency:

Ministry of Agriculture, Natural Resources and Rural Development  
 Route Nationale #1  
 Damien  
 Haiti

Contact Person: Hermann Augustin, Project Coordinator, RESEPAG Telephone No.: +509-3446-8914 Email: <a href="mailto:hermann_augustin@yahoo.fr">hermann_augustin@yahoo.fr</a>						
Estimated Disbursements (Bank FY/US\$ m)						
FY	12	13	14	15	16	17
Annual	1	8	14	14	10	3
Cumulative	1	9	23	37	47	50
Project Implementation Period: 5 years Expected effectiveness date: February 1, 2012 Expected closing date: November 30, 2016						
Does the project depart from the CAS in content or other significant respects?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project require any exceptions from Bank policies? Have these been approved/endorsed (as appropriate by Bank management)?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
Is approval for any policy exception sought from the Board?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project meet the Regional criteria for readiness for implementation?				<input checked="" type="radio"/> Yes <input type="radio"/> No		
If no, please explain:						
Project Development objectives The proposed development objectives for the project are to strengthen the MARNDR's capacity to define and implement the National Agriculture Extension Strategy, to increase access of small farmers to agriculture extension services and training on animal and plant health in priority regions, and to provide financial assistance in the case of an agriculture sector emergency.						

**Project description**

The proposed project includes four components:

1. Strengthening the role of MARNDR in providing agricultural support services: This component will enhance MARNDR’s capacity to define and implement the National Agriculture Extension Strategy (PDVA) through, *inter alia*, the carrying out of institutional and organizational reforms within MARNDR at the national, departmental and local level.
2. Providing support for local agricultural extension and innovation services: This component will strengthen the local provision of, and access to, agricultural support and extension services through: (i) the establishment of a Market Support Facility (MSF) to be managed by MARNDR, in coordination with the *Tables de Concertation Agricole Departamentale*, to co-finance on a matching-grant basis the carrying out of investments and/or activities for productive purposes ; and (ii) the strengthening of the MSF’s institutional capacity.
3. Agriculture Risk and Emergency Response Contingent Reserve: This component will provide support upon occurrence of an Agriculture Sector Emergency through: (i) the carrying out of Emergency Recovery and Rehabilitation Subprojects and/or (ii) the implementation of a Farmers Subsidy Scheme for Eligible Farmers.
4. Project Administration and Coordination: This component will support MARNDR in its day-to-day management of the Project through, *inter alia*, the provision of technical assistance, the acquisition of equipment and vehicles and the financing of operating costs.

**Safeguard policies triggered?**

Environmental Assessment (OP/BP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Natural Habitats (OP/BP 4.04)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Forests (OP/BP 4.36)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Pest Management (OP 4.09)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Physical Cultural Resources (OP/BP 4.11)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OP/BP 4.10)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Safety of Dams (OP/BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects on International Waterways (OP/BP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP/BP 7.60)	<input type="radio"/> Yes <input checked="" type="radio"/> No

**Conditions and Legal Covenants:**

<b>Financing Agreement Reference</b>	<b>Description of Condition/Covenant</b>	<b>Date Due</b>
Article IV, 4.01	The execution and delivery of the Grant Agreement on behalf of the Recipient have been duly authorized by all necessary governmental action	Before effectiveness
Schedule 2, Section II. B.4	Appointment, not later than four months after the Effective Date, the independent auditors referred to in Section 4.09 (b) of the General Conditions.	4 months after Effectiveness

Schedule 2, Section II. B.5	Acquire and configure, through MARNDR, an accounting software agreed with the Association for the accounting and financial management system for the Project.	4 months after Effectiveness
Schedule 2, Section I. C. 1	Establish a market support facility and operate and maintain said facility during project implementation.	12 months after Effectiveness

## **I. Strategic Context**

### **A. Country Context**

1. With a GDP per capita estimated at US\$673<sup>1</sup>, Haiti is the poorest country in the Americas and the Caribbean. The state of the Haitian economy in the last two decades has been particularly affected by repeated political crises and a series of devastating natural disasters. Poverty is of great concern in the country - 78% of the population lives on less than US\$2 a day, and over half lives on less than US\$1 a day and, with the majority living in rural areas. Income inequality is high among the highest in Latin America and the Caribbean (Gini coefficient of 0.59). Multidimensional poverty is far-reaching, as evidenced by poor social outcomes for literacy, life expectancy, infant and maternal mortality, among others. Haiti ranks 148 out of 172 countries in the 2010 United Nations Human Development Index. In rural areas, 88 percent of individuals live below the poverty level and basic services are practically nonexistent.

2. The devastating January 12, 2010 earthquake represented a major setback to the economy and aggravated an already precarious social situation. Economic growth was negative 5.1 percent for 2010, while during the five years preceding the earthquake Haiti had experienced a stable albeit modest growth and encouraging progress in its macroeconomic environment. The earthquake deeply affected economic activity because it occurred near the Port-au-Prince area where 65 percent of the country's economic activity is concentrated.

3. During 2010, Hurricane Tomas and the cholera outbreak, alongside food and oil price inflation, have complicated the challenges faced by the agriculture sector. Haiti is the most vulnerable country to an increase in food and oil prices in the Latin American and Caribbean Region given its poverty level, lack of social safety nets, and dependency on food imports. The current resurgence in global food price volatility and food-induced inflation could contribute to further deterioration of the nutritional status of Haitians (30% of children suffer from chronic malnutrition and 50% of women are anemic), leading them to spend more (food accounts for over 50% of the family budget in Haiti and have reached 80% for vulnerable households after the earthquake) for less nutritious food (higher food prices lead people to switch to cheaper but less nutritious calories like fat and simple sugars) with negative impact on individual health, productivity, and economic growth.

### **B. Sectoral and Institutional Context**

4. Increasing agriculture production is a key objective of the Government's reconstruction efforts. Agriculture plays a major role in achieving food security, economic recovery and social stability in Haiti. Following the earthquake, many families in rural areas already affected by poverty and food insecurity have received destitute family members. Agriculture is also a major source of growth for the country's economy. Before the earthquake, agriculture GDP was growing at 5.9% per year (2009) and contributing a third of the country's GDP. After the earthquake, agriculture and construction were the only two sectors showing positive growth (data from 2010). Agriculture plays a dominant role in the economy, contributes 25 percent of GDP, and accounts for around 50 percent of overall employment (66 percent of employment in rural areas and 75 percent of employment in low income households). A typical farmer in Haiti

---

<sup>1</sup> IMF, 2010

has an average farm size is 0.5 Ha, with hillside farmers having on average larger plots than farmers in irrigated lands. Thus, agriculture is a potential source of growth also for the poorest in Haiti.

5. There is currently an increasing world demand for food and agriculture (agrifood) products from the Latin America and Caribbean (LAC) Region (the agriculture sector of the LAC Region has grown by an annual average of 3% in the past decade), and Haiti has shown potential and success in tapping into this global demand. Demand for agrifood products from Haiti for local consumption (including food aid programs) and for export is high and growing (Annex 2 presents a list of examples of some of the major agrifood supply chains in Haiti). However, there are some key obstacles within the agriculture sector of Haiti for the realization of this potential for agro-exports and increasing production of foods for local markets. Some of these include the lack of access by farmers to proper technologies, knowledge, advice and training for promoting innovation and productivity increase.

6. The Government has pursued sound macroeconomic policies over the last decade, substantially reducing its budgetary deficit while pursuing monetary and exchange rate policies to contain inflation with some degree of success. However, chronic underinvestment in the rural economy (e.g. infrastructure, public services and programs and ineffective natural resource management) has steadily depleted the rural productive base. The budgetary allocation to the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR), already low, was 8% of total government resources during 2001 and has dropped to 3% in 2008. Trade liberalization in the 1990s included no transitional or pro-active export measures, suddenly making Haiti one of the most open markets in all of Latin America, yet leaving the rural economy without the means to adjust or to facilitate labor market shifts. Underinvestment in rural public goods has been compounded by weaknesses in MARNDR's capacity to collect and analyze sector data or work with stakeholders in establishing priorities for investments based on clear technical criteria.

7. The great majority of Haitian farmers do not use improved planting materials, just seeds saved from the previous crop, planted in degraded soil without pest controls or inputs other than hand tools. Those farmers who participate in programs in Haiti that do provide access to improved germplasm (selected seeds, cuttings or budwood) in conjunction with soil conservation measures demonstrate dramatic productivity and income increases. Most who farm have no access to new technologies and little or no protection against pests or diseases. For example, the pig production sub-sector collapsed during the 1980s due to the spread of Classical Swine Fever (creating economic losses of approximately US\$8 million); and in 2008, mango exports (the top agriculture export crop) to the US were stopped for 6 months due to the detection of fruit fly, producing losses of at least US\$4 million.

**Table 1: Summary of Costs, Financing Sources and Gaps per Component of NAIP.**

Lines of Action	Component	NAIP Total contribution (USD)			Commitments/ pledges by donors(as of July 2011)		Outstanding Financial Gap (USD)
		Total	GOH	Priv. Sect.	USD	Donors	
A. Development of rural infrastructure	A.1. Renovation of watersheds and forestry	251,000,000	11,600,000	41,500,000	100,000,000	IADB USAID	97,900,000
	A.2. Irrigation and	109,790,000	11,290,000	-	50,000,000	IADB IFAD	48,500,000

	drainage						
	<i>Sub-total</i>	<i>360,790,000</i>	<i>22,890,000</i>	<i>41,500,000</i>	<i>150,000,000</i>		<i>146,400,000</i>
B. Production and development of sub- sectors	B.1. Breeding	38,374,200	4,274,200	8,400,000	-		25,700,000
	B.2. Fishing and fish farming	32,500,000	2,700,000	3,000,000	-		26,800,000
	B.3.1. Access to inputs and agricultural tools	197,580,000	65,850,000	48,080,000	75,000,000	World Bank <sup>2</sup> Canada IADB	8,650,000
	B.3.2. Rural finance	24,000,000	1,000,000	3,000,000	20,000,000	CIDA (Canada)	0
	B.3.3. Post harvest management and commercialization	45,025,800	3,625,800	8,000,000	25,000,000	IADB USAID	8,400,000
	B.4. Urban and peri-urban agriculture	16,000,000	-	-	-		16,000,000
	B.5. Local production and humanitarian operation	11,500,000	1,000,000	-	5,000,000	FAO	5,500,000
	<i>Sub-total</i>	<i>364,980,000</i>	<i>78,450,000</i>	<i>70,480,000</i>	<i>125,000,000</i>		<i>91,050,000</i>
C. Agricultural services and institutional support	C.1. Research, extension and training	5,000,000	300,000	-	4,700,000	USAID/ USDA World Bank	0
	C.2. Access to land and tenure security	4,000,000	400,000	-	3,600,000	IADB	0
	C.3. Institutional support to the agricultural public services.	56,200,000	5,200,000	-	46,000,000	World Bank	0
	<i>Sub-Total</i>	<i>65,200,000</i>	<i>5,900,000</i>	-	<i>54,300,000</i>		<i>0</i>
<b>TOTAL</b>	<b>790,970,000</b>	<b>107,240,000</b>	<b>111,980,000</b>	<b>318,300,000</b>		<b>238,450,000</b>	

Note: shaded cells identify the investments of the proposed project.

8. The Ministry of Agriculture, Natural Resources, and Rural Development (MARND) and its Development Partners agree on what works in Haiti to fill the agriculture public goods and services gap. Since the earthquake, the MARND and Development Partners have prepared and agreed on a National Agriculture Investment Plan (NAIP) for the period 2011-2016 which derives its objectives and strategy from the existing National Agriculture Policy, the Post-Disaster Needs Assessment (PDNA), and the overall Government and International post-earthquake reconstruction effort. The NAIP has three components focused on: (i) rural infrastructure, (ii) production and productivity of sub-sectors, and (iii) agriculture public services and institutional support (see Table 1). The NAIP focuses on priority regions (see Annex 7 for a Map) which were selected according to: (i) post-earthquake migration patterns into rural areas; (ii) the location and competitiveness of agriculture supply chains; and (iii) priority watersheds.

<sup>2</sup> Bank financing for this item includes US\$2million for piloting a “smart subsidy” mechanism for farmers financed by the ongoing RESEPAG I.

### **C. Higher Level Objectives to which the Project Contributes**

9. The proposed Project is fully consistent with The World Bank Group's Interim Strategy Note (ISN) FY12-13 to be discussed by Executive Directors on December 1 2011, along with this project, has been agreed upon as part of the National Agriculture Investment Plan (NAIP). The ISN focuses on Haiti's post earthquake reconstruction and invests US\$250 million in support of four strategic objectives: (i) reducing Haiti's vulnerability and increasing its resilience to shocks, (ii) sustainable reconstruction through rebuilding key infrastructure, (iii) building human capital, and (iv) revitalizing the economy, as well as a cross-cutting theme of strengthening governance. This project contributes to objectives (i), (ii) and (iv), by building capacity at the sector level to respond to future crisis and emergencies, improving education at the vocational level in the agriculture sector and improving overall growth and increase competitiveness of the agriculture sector and its role in the Haitian economy. In addition to increasing incomes and improving the competitiveness of agriculture, the project also supports objective (i) by improving access to local food crops and improving their nutritional content. Pre and post earthquake Government strategies including the Vectors of Growth pillar of the Poverty Reduction National Strategy Document (DSNCRP) and the National Action Plan for Recovery and Reconstruction (PARDH) places agriculture at the center of long term growth and short term recovery from the massive shock the earthquake dealt to the entire country.

10. Based on the NAIP and on the financial pledges offered by Development Partners to the agriculture sector after the earthquake, the Government of Haiti requested additional funds from donors and to the Global Agriculture and Food Security Program (GAFSP).

11. The Bank and the IADB are working jointly in supporting the objectives of the NAIP described above, and have been coordinating current and future investment operations. The Inter American Development Bank (IADB) has been focusing on investments in irrigated areas, watershed protection, upstream agriculture research, farmer incentives (subsidies) for productivity increase, and the strengthening of key agriculture supply chains. The Bank has focused the support in building institutional capacity at MARNDR and the strengthening of basic public goods and services, such as agriculture innovation and extension, and sanitary and phytosanitary control and surveillance. During the past months, the Bank and the IADB have been collaborating in the preparation of two complementary projects. Both projects will be closely linked during execution (see Section III). The IADB project (called "Small Farmer Agriculture Technology Transfer Project") is for a total of US\$ 40 million, will provide direct farmer incentives (in the form of "smart subsidies") and is focusing on the North and North East Regions. Given that MARNDR is currently implementing two Bank-financed projects related to agriculture extension services (the Strengthening of Agricultural Public Services Project - RESEPAG I) and to animal health (the Project for the Prevention and Control of Avian Flu and other Zoonoses - PRECONIA), the Bank will finance under this proposed project, activities under the NAIP for capacity building at the national and local level for agriculture extension and innovation services, while strengthening farmer groups in increasing their agriculture competitiveness by adopting improved technologies and best practices. This proposed project will accompany and be complimentary to the "smart subsidies" to be provided under the IADB financed project.

12. The proposed project, as well as the IADB-financed Project described above, are partly funded by resources from the Global Agriculture and Food Security Program (GAFSP). The

GAFSP approved US\$25 million for increasing productivity, production, technology and input use to be supervised by the Inter American Development Bank (IADB), and US\$10 million for strengthening of agriculture services and institutional support to be supervised by the Bank under the proposed Project (Component 1). The proposed investments under this project are complementary to, rather than an extension of, activities under RESEPAG I, as the latter provides core institutional strengthening on managerial and agriculture policy formulation capacity at MARDR while the former invests mainly in the provision of services and innovation at the farmer level. The proposed project is also complementary to the Bank-financed Haiti Job Creation and Growth Project in preparation, both in approach and geographically.

## **II. Project Development Objectives (PDO)**

13. The project will contribute to the objectives of the National Agriculture<sup>3</sup> Investment Plan (2011-2016), which are to: (i) increase the productivity and the competitiveness of the agriculture sector; (ii) augment by 25 percent the contribution of agricultural production to the national food availability; (iii) reduce by 50 percent the number of persons who suffer from food insecurity in Haiti by 2015; (iv) improve the health conditions and nutrition of the Haitian people, with focus on vulnerable groups such as anemia reduction interventions for female agricultural workers; (v) increase the agriculture income of at least 500,000 households; (vi) augment the entry of foreign currency into the country; and (vii) decrease the vulnerability of the general population to natural hazard risks.

14. To help achieve these national goals, the development objectives for the project are to strengthen the MARNDR's capacity to define and implement the National Agriculture Extension Strategy, to increase access of small farmers to agriculture extension services and training on animal and plant health in priority regions, and to provide financial assistance in the case of an agriculture sector emergency.

### **A. Project Beneficiaries**

15. The direct beneficiaries of the project will be the participants of the agricultural innovation system (farmer organizations, private sector, NGOs involved in agricultural extension, universities, other research organizations, vocational schools). Through the strengthening of the capacity of MARNDR and of other actors in the agricultural innovation system, the project will allow 50,000 rural households to access agriculture extensions and other services.

16. The rural population depending on agriculture for its livelihood is estimated at around 5 million. The project activities will be targeted towards small and medium producers in the regions specified in the NAIP (this selection benefits from a transparent and consultative process as described in Section I above), giving initial priority to the South, South-Eastern, North, and North-Eastern regions of the country, in order to ensure coordination with other agriculture investments and economic initiatives such as the Bank's RESEPAG I, and the IADB's agriculture projects.

17. The project will specifically target and consult women. Studies undertaken for RESEPAG I showed that while women are responsible for a large part of agricultural activities

---

<sup>3</sup> Agriculture includes crop and livestock production.

and participate in many productive organizations, they remain disadvantaged compared to men in terms of decision-making, control over resources, and access to economic benefits. Reasons for this include higher levels of illiteracy among women, lack of formal legal documentation (i.e. land ownership, identification), traditional division of labor, and social norms. Targeting and consulting women are important elements for RESEPAG II and the mainstreaming (rather than safeguarding) of gender is done both at an institutional level by promoting the establishment of a Gender focal point to integrate gender aspects in agriculture policy making, and at the farmer level, but using gender specific-data for monitoring and evaluation, and evaluation criteria for selecting subprojects.

18. Finally, the project will benefit food consumers as it intends to mainstream activities related to nutritional quality into project investments, to increase the availability of nutrient rich foods and help address high levels of malnutrition in the country. Nutrition activities include: (i) integrating a nutrition module in the training curriculum of agricultural extension agents; (ii) facilitating the production of nutrient dense foods through use of biofortified seeds already present in Haiti and zinc based fertilizers; (iii) capacity building in food harvesting and storage techniques (e.g. to reduce aflatoxin<sup>4</sup>); and (iv) improvement of food processing techniques through capacity building and technical assistance such as fortification and food quality control including laboratory capacity to analyze micronutrient contents. .

## **B. PDO Level Results Indicators**

19. Key PDO level result indicators for the project will be: (i) the number of farmers (disaggregated by gender) who have access to improved agriculture information, technologies, inputs, material and services<sup>5</sup>; (ii) Number of client days of extension services provided to farmers and community members (disaggregated by gender); and (iii) the definition, adoption and implementation of a national extension strategy by the MARDNR and main stakeholders. The project will also monitor the following impact indicators related to the GAFSP<sup>6</sup>: (i) the number of farmers (disaggregated by gender) who adopt improved agricultural technologies and/or better risk management techniques for animal and plant health, and (ii) their corresponding increase in agriculture revenues and food security.

## **C. Project Description**

20. The proposed project includes four components: (1) Strengthening the role of MARNDR in providing agricultural support services; (2) Providing support for local agriculture extension and innovation services; (3) Agriculture risk and emergency response contingency reserve; and

---

<sup>4</sup> Aflatoxin is a toxic and carcinogenic type of fungus that colonizes and contaminates grains before harvest or during storage if not managed properly. Host crops are particularly susceptible to infection by Aflatoxin following prolonged exposure to a high humidity environment or damage from stressful conditions such as drought, a condition which lowers the barrier to entry.

<sup>5</sup> The methodology for measuring this indicator will be defined by an in-depth impact evaluation methodology currently under preparation by the MARNDR with the support of the World Bank's Development Impact Evaluation Initiative (DIME) initiative.

<sup>6</sup> The GAFSP have certain core indicators that will be monitored following an in-depth impact evaluation methodology (See Annex 1). However, since these impact indicators do not depend on RESEPAG II directly, but mostly on the GAFSP resources being supervised by the IADB, they will not be included in the Financing Agreement nor in the Project's Implementation Status and Results Report. Discussion of these indicators and their evolution will be included at the Project's mid-term review.

(4) Project administration and coordination. The project components are complementary (thematically and geographically) to the activities proposed by the IADB under the GAFSP funding for Haiti. They also complement ongoing activities under the IADB-financed Rural Supply Chain (DEFI) project and under the Bank-financed RESEPAG I project (currently under Bank supervision), as well as ongoing activities under the NAIP that are financed by other donors. The geographic areas of the project are the priority areas identified in the NAIP (see Map in Annex 7), but will have an initial focus in the South, South-Eastern, North, and North-Eastern Departments. The project components are interlinked in that the activities for strengthening MARNDR's capacity to provide agriculture extension and support services at the national level (Component 1), are a necessary condition for maximizing the impact on the ground and providing access to and developing the market for agriculture extension services for small farmers (Component 2).

#### **D. Project components**

##### **Component 1: Strengthening the role of MARNDR in providing agricultural support services (US\$ 10 million, GAFSP)**

21. This component will strengthen the role of the MARNDR as the leader of Haiti's agricultural innovation system. Activities under three subcomponents will enhance MARNDR's capacity to define and implement the PDVA through, *inter alia*, the carrying out of institutional and organizational reforms within MARNDR at the national, departmental and local level, including the following sub-components:

22. Sub-component 1.a: Planning and coordination of agricultural extension and training services provision (US\$3 million). The sub component includes: (i) the establishment of learning based monitoring and evaluation mechanisms; (ii) the strengthening of the *Tables de Concertation Agricoles Departamentales*<sup>7</sup> and/or any other similar coordination mechanism; (iii) the strengthening of human resources capacity in the Recipient's agriculture sector through: (a) the carrying out of an evaluation and revision of university and vocational school training curricula for Agricultural Service Providers; and (b) the provision of financial and technical assistance to Technical Training and Research Centers and other training facilities fulfilling similar functions in the Priority Regions; and (iv) the facilitation of international and regional exchange of experiences and information on agricultural service provision. This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures. Capacity building activities under this sub-component will be included as part of the Project's Annual Operating Plan (POA) to be approved annually by the Bank.

23. Sub-component 1.b: Agricultural sector information systems (US\$2 million). This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures, to increase the availability and quality of price and agro-climatic data and tools<sup>8</sup> that could be used to better manage agro-climatic risks and to enhance agricultural production systems. The subcomponent will establish agricultural sector information systems to: (i) increase the availability of quality agro-climate data and tools to improve advance planning for agriculture input use, managing crop yield risks, and the early identification of, and response, to

---

<sup>7</sup> The *Table de Concertation* is a Department-level Agriculture Sector Table chaired by the MARNDR. Members of the *Table de Concertation* include NGOs, Farmer Organizations, public and private sector organizations present at the Department level.

<sup>8</sup> An example of such tools can be found in: [www.agroclimate.org](http://www.agroclimate.org)

animal and plant health threats; and (ii) strengthen the collection and dissemination of agricultural market prices to include farm gate prices. In order for the activities of this sub-component to be implemented, existing animal and plant health, weather, price and agriculture statistics data will need to be collated and backed-up in the MARNDR's cloud computing information system.

24. Sub-component 1.c: Sanitary and Phytosanitary (SPS) capacity (US\$5 million). This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures for the carrying out of: (i) training and infrastructure investments to improve bio-security, diagnostic and quarantine services; and (ii) studies to operationalize sanitary and phytosanitary services. The recently completed assessment of Haiti's veterinary services by the World Organization of Animal Health (OIE) and a subsequent GAP analysis<sup>9</sup>, planned to be finalized by the end of 2011, will provide the country with the appropriate strategic framework for future development and investments to be financed under this subcomponent.

**Component 2: Providing support for local agricultural extension and innovation services (US\$ 36 million equivalent, IDA)**

25. This component will strengthen the local provision of, and access to, agricultural support and extension services through: (i) the establishment of a Market Support Facility (MSF) to be managed by MARNDR, in coordination with the *Tables de Concertation Agricole Departementale*, to co-finance on a matching-grant basis the carrying out of investments and/or activities for productive purposes to: (a) promote the adoption of priority technologies and improved agricultural inputs; (b) undertake applied research in agriculture supply chains not covered by public research programs; (c) strengthen producer-based organizations and provide for an increased level of technology transfer; and (d) promote improvements in post-harvest and agribusiness technology distributed to Eligible Farmers; and (ii) the strengthening of the MSF's institutional capacity through, *inter alia*: (a) the provision of equipment and technical assistance; and (b) the carrying out of, training activities, studies, workshops and exchange visits. It will finance: (i) works, goods, vehicles, equipment and consultancies to strengthen local agriculture extension and innovation capacity; and (ii) meetings, training, studies, workshops and exchange visits. These activities will accompany the farmer-level agriculture technologies and inputs promoted by the MARNDR (and financed by the parallel GAFSP project supervised by the IADB)<sup>10</sup> by increasing the capacity of public, private and civil society (NGO) local service providers to deliver and serve the needs of their clients. The MSF will allocate funds to new opportunities that arise during implementation as well as special allocations to provide effective and efficient food response in the case of emergencies (natural disasters).

**Component 3: Agriculture Risk and Emergency Response Contingency Reserve (US\$ 1 million equivalent, IDA)**

26. Following an adverse natural disaster, animal or plant health emergency, or food crisis affecting the agriculture sector of Haiti during the execution period of the project, the Borrower may request the Bank to re-allocate project funds to support response and reconstruction. This

---

<sup>9</sup> The GAP analysis will be undertaken by using the OIE PVS pathway.

<sup>10</sup> The IADB-GAFSP project will specifically finance smart subsidies (vouchers, conditional cash payments) to promote specific agriculture technologies and improved inputs in the same geographic areas as RESEPAG II.

component will provide support upon occurrence of an Agriculture Sector Emergency through: (i) the carrying out of Emergency Recovery and Rehabilitation Subprojects and/or (ii) the implementation of a Farmers Subsidy Scheme for Eligible Farmers. Additional funds could also be made available through this window for the same purpose.

27. Disbursements will be made against eligible expenditures, and/or a farmer subsidy scheme agreed with the Bank to support the needs of the Borrower. All expenditures under this component, should it be triggered, will be in accordance with OP/BP 8.00 and will be appraised, reviewed and found to be acceptable to the Bank before any disbursement is made. If not disbursed 12 months before the closing date, the currently allocated amount of US\$1 million can be made available to finance activities under the other project components.

**Component 4: Project Administration and Coordination (US\$ 3 million equivalent, IDA)**

28. Project execution will be under the RESEPAG I team, which is under the responsibility of the Direction General (DG) of MARNDR. This component will support MARNDR in its day-to-day management of the Project, through, *inter alia*, the provision of technical assistance, the acquisition of equipment and vehicles and the financing of Operating Costs. All efforts will be made by the MARNDR to coordinate project implementation across MARNDR’s units, in particular the Departmental Agriculture Directorates (DDAs) involved, the Programming and Studies Unit (UEP), Directorate of Animal and Plant Health (DPAV), and the Directorate of Research and Training (DRF). The program coordinator in the DG team will be the primary Bank counterpart for the purposes of project supervision and will interface with the fiduciary functions of the Directorate of Administration and Finance (DAAF). All reporting will be done jointly for RESEPAG I and II.

**E. Project Financing**

**1. Lending Instrument**

29. A US\$40 million equivalent IDA-funded Specific Investment Grant and a US\$10 million GAFSP Recipient Executed Grant are proposed. The project will be processed through IDA and GAFSP procedures.

**2. Project Cost and Financing**

30. The total project cost is estimated at US\$50 million (US\$40 million equivalent from IDA and US\$10 million from GAFSP). Given the executing capacity of the MARNDR and the nature of project activities and investments, a five-year investment project execution period is deemed appropriate, from 2011 to 2017.

Project Components	Project cost (US\$ equivalent)	GAFSP Financing	IDA Financing (US\$ equivalent)	% IDA-GAFSP Financing
1. Strengthening the role of MARNDR in providing ag. support services	10	10	-	100
2. Providing support for local ag. extension and innovation services	36	-	36	100
3. Agriculture risk and emergency response contingency reserve	1	-	1	100
4. Project administration and coordination	3	-	3	100
<b>Total Baseline Costs</b>	<b>50</b>	<b>10</b>	<b>40</b>	<b>100</b>
Total Project Costs	50	10	40	100
<b>Total Financing Required</b>	<b>50</b>	<b>10</b>	<b>40</b>	<b>100</b>

## **F. Lessons Learned and Reflected in the Project Design**

31. This proposed project is different from previous investments in the sector in that: (i) it is part of a comprehensive sector investment plan (NAIP) agreed by Government and Development Partners; (ii) it builds upon the strengths of existing agriculture extension and services approaches; (iii) it leverages private sector and donor investments in the sector; and (iv) it addresses the pressing need for improved public sector capacity in the provision of basic agriculture public goods and services. The proposed project was designed based on a set of principles agreed between Development Partners and the Government related to the National Agriculture Extension Strategy (*Plan Directeur de Vulgarisation Agricole, 2011-2016 – PDVA, Version Mars, 2011*) currently being finalized and in the last round of consultations with stakeholders. These guiding principles are:

- i. *From ‘best practice’ to ‘best fit’*: Conclusions from numerous agriculture extension reform studies show that what works well in a particular situation is dependent on the starting conditions in that specific location and point in time. A widely applicable blueprint does not exist.
- ii. *Learning and incremental capacity upgrading*: The ‘best fit’ approach requires conditions and mechanisms that promote learning, capacity building and incremental change and improvement in approaches;
- iii. *Partnership and pluralism*: Good connections between, and coherence among the wide array of organizations involved in extension are essential. A policy and institutional environment that allows arrangements to be adapted in response to lessons and emerging experiences about the effectiveness of arrangements are equally essential;
- iv. *Market-led, service oriented and decentralized*: In most rural economies, farmers need technology, as well as information on prices, market preferences and trade regulation. They need access to credit and other inputs, and their needs often change rapidly in the light of changing market, environmental, social and policy conditions. Extension agents thus need to be able to articulate farmer demand for knowledge, facilitate linkages among agricultural sector actors, and manage the innovation process.

32. The following lessons learned are based on the assessment of past and current interventions in the agriculture sector, and the Bank’s experience with similar institutional strengthening projects, including RESEPAG I:

- i. Policy Environment: A cornerstone upon which the successful implementation of any sector program depends, is the existence of an appropriate policy environment. The proposed project is in line with the ISN’s objectives and has been agreed upon as part of the NAIP.
- ii. The role of the Public Sector: In the preparation of this project, the development of a set of basic principles on the role of the MARNDR in the agriculture sector has provided conceptual clarity on the role of the public sector, in particular on the need to focus on medium to long term investments in capacity building and innovation. One example of the transformational role that the strengthening of the public sector can have in the provision of agriculture services is the case of Embrapa in Brazil, where after many years

of investments by the Government and Donors in agriculture innovation capacity, the country is now reaping the benefits of sector growth.

- iii. Project Units: Experience with donor financed Project Units in the agriculture sector has shown that they do not ensure timely execution of activities and can undermine long-term public sector capacity for setting policy and investment priorities. The extremely fragmented nature of donor support prior to this project has taxed MARNDR's implementation capacity beyond sustainable levels, resulting in poor project coordination, implementation, M&E, and impact. In the spirit of the Paris Declaration, this project will build upon ongoing RESEPAG I efforts directed at institutional strengthening and capacity building, working through existing MARNDR Departments, rather than creating free-standing project units.
- iv. Donor coordination: As objectives and constraints often differ among donors, and given the weak capacity from the MARNDR, donor collaboration can break down when implementation difficulties and frustrations emerge. To avoid this, a great deal of investment has gone into solidifying the commitment of donors to work together in their support of MARNDR. A shared vision has been articulated in the form of the basic principles, and a systematic program of Sectoral Tables for interaction and dialogue among donors has been put into place under the leadership of MARNDR. This project will continue to support such coordination efforts and is implemented in conjunction with the GAFSP activities under supervision by the IADB<sup>11</sup>.
- v. Reaching the beneficiaries: IDA projects in Haiti indicate that local capacity is the key to the efficient and successful delivery of improved services, financial management and M&E. Therefore, core actions envisaged in this project will strengthen local MARNDR capacity in targeted areas, work with existing private and civil society sector service providers, and design farmer support mechanisms in consultation with cross-sections of the intended beneficiary communities, with a special focus on women.
- vi. Enabling innovation: Only by having the public sector encouraging and promoting the building of networked capacity between all actors (agribusinesses, farmers, NGOs) can the agriculture sector and countries solve problems, improve practices and increase investments. Capacity strengthening will therefore be focused on the totality of actors and policies involved in innovation, coping with emergencies, and in the increase of its competitiveness in changing agrifood markets.

## **G. Implementation**

### **1. Institutional and Implementation Arrangements**

33. The Project will be implemented by the MARNDR team executing the ongoing RESEPAG I project. RESEPAG I, although with some delays due to the January 2010 earthquake and the 2010-2011 electoral process, is being executed as planned. A fiduciary and institutional assessment was undertaken during preparation of RESEPAG II and, as a result, additional resources (human and material) and institutional arrangements needed for MARNDR to execute RESEPAG II have been identified. Specifically, this support will be focused on

---

<sup>11</sup> The IADB-GAFSP financed project will be executed by the same unit as the RESEPAG II to ensure maximum coordination.

mainstreaming gender and environmental issues, and management of safeguards, fiduciary and M&E aspects of project implementation.

34. Although the existing institutional structure of MARNDR reflects the legacy of past approaches to public sector involvement in the agriculture sector, the MARNDR has proven its ability to lead the sector by quickly preparing and approving a NAIP with wide support from Development Partners and securing funding from GAFSP only months after the January 2010 earthquake. Nevertheless, RESEPAG I and II will be expected to continue the current efforts in strengthening MARNDR's institutional capacity by using its current institutional structure, and focusing on core functions, such as fiduciary capacity, budgetary processes, agricultural support services, and policy and donor coordination. Furthermore, the MSF under Component 2 will rely on the existing Agriculture Sectoral Tables at the Departmental level (*Tables de Concertation*) to evaluate sub-project proposals and provide a supervision and coordination platform for sub-projects (see Annex 3).

## **2. Results Monitoring and Evaluation**

35. The Project M&E System is under the responsibility of the Directorate of Monitoring and Evaluation (DSE) of the Ministry of Agriculture Natural Resources and Rural Development (MARNDR), in accordance with its legal mandate. The MARNDR will assign a full-time senior manager from the DSE to work as M&E Coordinator for the project in coordination with a long-term consultant assigned to this task to support the DSE in its responsibility. The MARNDR shall, not later than February 28 of each year of Project implementation: (a) submit to the Association annual Project work plans and budgets to the Association for its prior review and approval for Components 1, 2 and 4 of the Project; and (b) carry out each plan in a manner consistent with the terms of the Financial Agreement for the Project.

36. In order to collect the required data, the M&E Coordinator will directly liaise with the local Departmental Directorate (DDA) and the Research and Education Directorate (DRF) of the Ministry. The *Tables de Concertations*, given its representation from civil society, farmer groups, public and private sectors will be the main mechanism for technical and social monitoring of project activities at the local level. The M&E Coordination will also collaborate with local organizations (external partners) collecting data in the Project regions and the M&E officer in charge of the monitoring of the IADB-GAFSP financed project. The project's M&E coordinator will follow each indicator and identify unequivocally the mechanisms of data collection, the source of data and the responsibilities for collection and reporting as well as the reporting schedule as specified in Annex 1.

## **H. Sustainability**

37. Three important features augur well for project success and sustainability: (i) strong Government ownership and commitment. The project was designed by Haitians (including staff of MARNDR), through a series of consultations, and through participatory and technical working groups, and will be executed by the MARNDR itself; (ii) Donors' commitment to the NAIP approach is high, as they have participated in project preparation and have facilitated discussions with the Government on donor coordination activities; and (iii) the project has been endorsed by the new Government and reviewed and approved by the IHRC, the MEF and the MPCE, thereby ensuring the likelihood of adequate Government funding beyond project completion. The financial sustainability of the project is contingent on the following

conditions: (i) the continuation and deepening of these first steps in strengthening and modernizing the MARNDR; (ii) donor collaboration and commitment to support MARNDR over a 15-20 year period; (iii) the improvement in the managerial capacity of MARNDR at the central and local (Departmental) levels; and (iv) the public sector reform programs being managed at the level of the Prime Minister's office (OMRH) and the MEF. The mid-term review will assess technical and financial (fiscal) sustainability aspects beyond project closing and address any potential problems.

## **I. Key Risks and Mitigation Measures**

The overall risk of the project is Medium driven by impact. key risks and mitigation measures for the proposed project are (see Annex 4):

38. Environmental Risks. The project triggers the following safeguard policies: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36) and Pest Management (OP/BP 4.09). The major environmental risks from proposed investments arise from: (i) Sanitary and Phytosanitary (SPS) activities in the handling and use of testing material and the disposal of animal carcasses; and (ii) the use of fertilizers and pest management applications in the agriculture extension and applied research activities. Other potential adverse impacts arise from small-scale construction activities. All potential adverse environmental impacts and risks are identified in the project's Environmental and Social Management Framework (ESMF), which in turn provides a suite of measures to minimize, mitigate and manage them, including the identification of when additional Environmental Management Plans (EMPs) or Pest Management Plans are necessary. In addition, MARNDR has prior experience implementing projects financed by the World Bank (and by the IDB and IFAD) and managing the requisite safeguard actions. To strengthen its capacity, MARNDR has created an Environmental Cell within the Ministry to manage environmental risks. The RESEPAG I project is supporting the development and operationalization of this Cell.

39. Social and Political Instability Risks. The Project is not associated with any social safeguard risks. Nonetheless, key social issues related to agriculture are: (i) access to resources, including land (security/titling) and skills (production and market/profit orientation); (ii) gender and youth as related to agricultural responsibilities, decision-making, production within the value chain, and economic control; (iii) the role of agricultural farmer groups (associations, cooperatives) in building and maintaining social capital, and gender informed data collection. Given that MARNDR has minimally addressed social, particularly gender-related, concerns through agricultural and rural policy and investments, the project will seek to build upon RESEPAG I activities to better mainstream these issues and address this institutional development priority. The main political risk is that if social and economic needs are not addressed rapidly in the Port au Prince area, this could have an impact in the overall Government's political leadership and capacity to implement project activities.

## **J. Appraisal Summary**

### **1. Economic and Financial Analysis**

40. The proposed RESEPAG II will provide support to agriculture service providers and producer groups and serve as a catalyst to improve the local market for extension and innovation services. This will increase investment flows into priority regions providing opportunities to switch to sustainable land use practices, increase agriculture value added and agriculture income, and promote private sector development. Through the expected increase in

household income from changes in land use practices and the investments in public and collective goods, the program will contribute directly to the protection of natural resources, the improvement of the nutritional content of food products, and of the health of the broader population of food consumers.

41. The project will improve the socio-economic situation of producers and agro-industries as a result of: (i) an increase in the export of agricultural and food products through a reinforced and reliable SPS system; (ii) improved private-public sector coordination for prioritization and increased efficiency of public investments in agriculture extension, training and SPS; (iii) the improvement in the market for local agricultural support services, especially in extension; (iv) the direct provision of extension services linked with the voucher scheme for technology transfers financed by IADB-GAFSP; and (v) the direct benefits from co-financing applied research, improvement in yields, and reduction of post-harvest losses. Beyond providing direct benefits to producers' income, the project will also contribute to better health and nutrition status of the rural and urban population through increased food security.

42. The project's economic analysis reflects substantial economic returns to investments with an overall project internal rate of return (IRR) of over 40%. Subject to a simulation exercise there is a 95% probability that the total project's IRR will be above 20%. While high IRRs are seen in other SPS and agriculture R&D programs in Haiti and in the Region, the relatively high returns here are mainly due to the low starting point (baseline) and the negative trends currently observed and projected in the "without project" scenarios. The baseline in terms of agricultural yields, losses to pests and diseases, and post harvest losses is dramatic. For example, without the project, it is expected that in maize yields continue to decrease to 2 MT/ha (from a current level of 2.5 MT/ha), while the project will provide the necessary technical assistance to increase yields to over 4MT/ha in the area of intervention.

43. The improvement of the delivery of agriculture extension services through the creation of a farmer registry for delivery of services and subsidies, and the outsourcing of services to private sector service providers, will significantly improve cost efficiency and M&E systems. The estimated rate of return of public investment in agriculture extension in the project areas, together with farm incentives to enable the adoption of proven and sustainable improved technologies (to be provided by RESEPAG I and the parallel GAFSP project supervised by the IADB), would be above 62 percent.

44. The Government has committed to use future funds (external and internal) to finance the incremental recurrent costs that would be generated by the increase in operational and investment expenditures under the project. This additional contribution (assuming a worst case scenario of no cost reduction elsewhere) of approximately US\$500,000 per year represents 1.5% of the overall agriculture budget. Fiscal reform measures and sector expenditure programs would improve management of overall public expenditure, and make multi-year planning more realistic. This project will respond to improvements in the budgetary processes that will be put into place by MARNDR through RESEPAG I's support.

## **2. Technical**

45. The project's technical basis has taken into account the lessons learned from the past ten years of donors' support to the agricultural sector in Haiti. To date there has been a major influx of resources, with only minor impact on the ground and low disbursement rates. The

project's implementation strategy is based on eliminating the main institutional obstacles, strengthening key aspects of MARNDR's capacity to manage public and donor resources, coordinate the sector, define and implement policy, and achieve results.

46. To achieve the project's goals and outputs, a series of activities in institutional strengthening and public sector modernization will be undertaken at the level of MARNDR to address institutional bottlenecks such as policy setting and donor coordination, as well as local delivery of extension services and responsiveness to exogenous shocks and crisis. A co-financing facility (MSF) will be established to provide market support for local agriculture extension and innovation services to maximize efficiency and impact of public resource use, linking activities with the private sector. The strengthening of the linkages between farmers, researchers, extensionists, and the public sector will be fostered using a matching grant demand-driven approach that will enable rapid and effective deployment of resources for accelerating technology adoption on the ground.

### **3. Procurement and Financial Management**

47. Improving the operation of procurement (PM) and financial management (FM) procedures at the MARNDR are preconditions for effective implementation of the project. Procurement for the Project activities will be carried out in accordance with the World Bank Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants dated January 2011 and Guidelines: Selection and Employment of Consultants under IBRD Loans & IDA Credits & Grants by World Bank Borrowers dated January 2011; and the provisions stipulated in the Financing Agreement. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements and timeframe are agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan for the first year has been developed (Annex 3). The plan for the remaining years will be developed and updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. In order to strengthen MARNDR's capacity to manage procurement, a single procurement unit is in the process of being created in MARNDR for all World Bank and IADB funded projects around RESEPAG I and II and the IADB-GAFSP technology transfer program.

48. The FM arrangements for the new project will build on those for RESEPAG I and the experience of the MARNDR in managing several Bank projects. The key risks that the project may face in achieving its objectives emanate from the weak capacity for financial management generally in Haiti, and the fact that there would need to be collaboration between several stakeholders including the NGOs and farmers to successfully implement the MSF in Component 2. The risks are therefore that project transactions may not be properly accounted for due to weak FM capacity which could affect the quality of supervision and follow-up of the use of project funds. The experience that MARNDR has in implementing Bank-financed projects will help mitigate these risks. The MARNDR will be equipped to provide basic FM training to all the Service Providers, NGOs, and Financial agents to ensure that the financial reporting requirements and the farmers' eligibility processes in the program are transparent and properly documented in the operational manual. In addition, the project will mitigate risks by ensuring the roles of the service providers and financial agents are properly documented in the

operational manual and agreed-upon procedures will be duly signed by all parties with MARNDR. These risks and mitigation measure are detailed in Annex 4.

49. The external auditor will be selected and appointed no later than 4 months after project effectiveness. The acquisition of the accounting software and its configuration for the project will also be completed no later than 4 months after project effectiveness. The detailed proposed action plan is provided in Annex 3. The conclusion is that the FM and PM arrangements for the project satisfy the Bank's minimum fiduciary requirements and are adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by the Bank.

#### **4. Social**

50. The Project is not associated with social safeguard risks. Nonetheless, so that benefits will be delivered equitably and inclusively, the Project addresses relevant social factors and potential distributional impacts and risks. For RESEPAG I, a stakeholder analysis and social assessment were carried out in February/March 2009. These were based on consultations with MARNDR staff and community members in target project areas. RESEPAG II's design and implementation plans have been informed by the results of these assessments, as well as findings from a gender assessment conducted for the World Bank Rural Development Project PRODEP, and lessons learned from a Gender Action Plan (GAP) grant undertaken to support RESEPAG I (Sept. 2009-Dec. 2011). Furthermore, in 2011 a gender review was carried out in RESEPAG II's target areas and a section of basic principles for Component 2's co-financing facility is dedicated explicitly to gender issues. Finally, RESEPAG I developed a financial literacy program for women agriculture producers and traders, strengthened the MARNDR's team's capacity on gender issues, and supported the integration of a Gender Focal Point into the Ministry.

#### **5. Environment (including safeguards)**

51. This project focuses on expanding access to agriculture extension services and promoting environmentally-friendly investments and practices in agriculture. It will have a positive impact on the agricultural environment, resource use and surrounding landscape. The project will not support any activities that have large-scale, significant or irreversible adverse impacts on the environment. For this reason the project is proposed as a Category B because its suite of potential adverse impacts on the environment are easily identified, mitigated and managed. The project triggers the following safeguard policies: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36) and Pest Management (OP/BP 4.09). Because exact investments will only be identified during project implementation, and many of these investments will complement those investments made under RESEPAG I and the Avian Influenza Control and Human Influenza Emergency Preparedness and Control project (PRECONIA), the project will update and expand the existing Environmental and Social Framework (ESMF) that is in place for the RESEPAG I and PRECONIA projects to identify and manage the suite of potential adverse impacts under this project and identify when additional Environmental Management Plans (EMPs) and Pest Management Plans are necessary. Details on the types of impacts foreseen under this project and the oversight for safeguards are in Annex 3.

52. The ESMF was disclosed in-country on August 4, 2011 and in the Association's Infoshop on August 3, 2011. The ESMF and OM are available through MARNDR's website (and through the World Bank website at [www.infoshop.org](http://www.infoshop.org)). MARNDR and its decentralized institutions (DDAs, BACs) have consulted with stakeholders on the draft ESMF, and will address the comments received in the final draft. Prior to the beginning of activities under Component 2, MARNDR (through the DDAs and BACs) will also consult with project-affected peoples within the project's sphere of influence to inform them of the project, opportunities to engage with it, potential adverse short-term impacts and how they will be mitigated, and the grievance redress mechanism available to them should they need it.

**Annex 1: Results Framework and Monitoring**  
**HAITI: Relaunching Agriculture: Strengthening Agriculture Public Services Project II**

<b>GAFSP Program Core Indicators</b> (To be measured by the Impact Evaluation Methodology, but not be included in the Project's ISR & Financial Agreement as they will measure progress with GAFSP resources being supervised solely by the IADB)												
GAFSP Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				YR 1	YR 2	YR3	YR 4	YR5				
a) Increase in revenues and food security for farmers who adopt improved agricultural technologies and/or better risk management techniques for animal and plant health.	<input checked="" type="checkbox"/>	Income (%)	0	0	15	17.5	20	20	Baseline Mid term Final year	National Farmer Registry database + surveys  IE Methodology	External Evaluator under the supervision of DSE	Average revenue + level of food security (food production and expenses per family)
		Dietary Energy Consumption (%)	0	0	15	17.5	20	20				
b) Number of farmers that adopt improved agricultural technologies and/or better risk management techniques for animal and plant health.	<input checked="" type="checkbox"/>	number (farmers)	0	0	5000	10000	15000	30000	Baseline Mid term Final year	National Farmer Registry database + surveys  IE Methodology	External Evaluator under the supervision of DSE	All participating farmers (% women) adopt at least one technology or plant/animal health practice
		number (% women head of HH)	0	0	20%	20%	20%	20%				

**Project Development Objectives (PDO):**

The proposed development objectives for the project are to strengthen the MARNDR's capacity to define and implement the National Agriculture Extension Strategy, to increase access of small farmers to agriculture<sup>12</sup> extension services and training on animal and plant health in priority regions<sup>13</sup>, and to provide financial assistance in the case of an agriculture sector emergency.

PDO Level Results Indicators	GAFSP Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				YR 1	YR 2	YR3	YR 4	YR5				
1) Number of client days of extension services provided to farmers, community members, etc. (disaggregated by gender).	<input checked="" type="checkbox"/>	number (farmers) number (%women head of HH)	TBD	+ 0 0	+10000 20%	+22000 20%	+42000 20%	+62000 20%	Annual	National Farmer Registry database + surveys  IE Methodology	External Evaluator under the supervision of DSE	Based on extension services provided by public sector and partner institutions
2) Definition, adoption and implementation of a national extension strategy by the MARDNR and main stakeholders.	<input checked="" type="checkbox"/>	Extension strategy	0	0	Definit on	Adopti on	Imple mentat ion	Imple mentat ion	Baseline Mid term Final year	Surveys  IE Methodology	External Evaluator under the supervision of DSE	Existence and Implementati on of a national extension strategy
3) Number of farmers that have access to improved agriculture information, technologies, inputs, material, and services.	<input checked="" type="checkbox"/>	number (farmers) number (%women head of HH)	0 0	0 0	5000 20%	15000 20%	30000 20%	50000 20%	Annual  Annual	National Farmer Registry database + surveys  IE Methodology	External Evaluator under the supervision of DSE	All participating farmers (% women) adopt at least one technology or plant/animal health practice

<sup>12</sup> Agriculture includes crop and livestock production.

<sup>13</sup> See map in Annex 7 for priority areas as specified in Haiti's National Agriculture Investment Plan (NAIP).

Intermediate Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				YR1	YR2	YR3	YR4	YR5				
<b>Intermediate Result (Component 1): MARNDR's agricultural support services are strengthened</b>												
<b>Subcomponent 1.a: Agricultural extension and training services are planned and coordinated</b>												
4) Active coordination of national agricultural extension (public sector) through appropriate structures equipped with necessary means at the central, department and local level (BAC – Centers)	<input type="checkbox"/>	Admin. Measures	No	No	No	Some	Some	Yes	Annual	Surveys IE Methodology	External Evaluator under the supervision of DSE	Existence of appropriate admin. or institutional measures
5) Continued exchange of information / experiences, dialogue, and training of executives, between Haiti and International Partners	<input type="checkbox"/>	Trainings	0	5	5	5	5	5	Annual	Training Reports	DRF	Opportunities for information exchange, dialogue, and training
		Exchange trips/mission	0	2	2	2	2	2		Minutes from Meetings		
<b>Subcomponent 1.b: Agriculture sector information systems strengthened and developed</b>												
6) Agroclimatic forecasting available.	<input type="checkbox"/>	Agroclimatic forecasting per Department	0	0	0	0	1	2	Annual	Forecast Reports from SNRE	UEP	Agroclimatic forecast reports for each Department
<b>Subcomponent 1.c: SPS capacity is Strengthened</b>												
7) Certification of the national laboratory (Tamarinier)	<input checked="" type="checkbox"/>	ISO Certification	No	No	No	Level 1	Level 1	Level 2 (for certain tests)	Annual	ISO Certificate (or similar)	DPVA	Level 1 certification of the national laboratory

Intermediate Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				YR1	YR2	YR3	YR4	YR5				
<b>Intermediate Result (Component 2): Market support is provided to local agriculture extension and innovation services</b>												
8) Number of farmers (from a sample) that are satisfied with the quality and availability of agriculture services.	<input type="checkbox"/>	% (men) % (women)	~ 0% ~0%	~0% ~0%	2% 2%	10% 10%	30% 30%	50% 50%	Annual	Surveys IE Methodology	External Evaluator under the supervision of DSE	Scale of 5 <sup>14</sup> based on the question "quality and availability of agricultural services responds to my needs."
9) Number of farmer organization networks (cooperatives, groups, associations, etc.) reinforced and with improved post-harvest operations.	<input type="checkbox"/>	number	0	0	2	15	25	25	Annual	Surveys IE Methodology	External Evaluator under the supervision of DSE	Number of farmer organization networks involved in the implementation of the strategy
10) Number of agriculture applied research partnerships between MARNDR and NGOs, Universities, Farmer Groups, Private Sector, etc.	<input type="checkbox"/>	number	0	0	2	15	20	20	Annual	Agreements / Contracts	DSE	Number of partnership agreements / service contracts signed

<sup>14</sup> Scale: a. I do not agree at all, b. I do not agree, c. I am neutral, d. I agree, and e. I totally agree. Being satisfied means neutral or above.

## Annex 2: Detailed Project Description

### Component 1: Strengthening the role of MARNDR in providing agricultural support services (US\$ 10 million)

6. This component will strengthen the role of the MARNDR as the leader of Haiti's agricultural innovation system. Activities under this component will reinforce and build capacity within the MARNDR to lead, guide and bring coherence to agricultural sector development and investments in animal and plant health control and protection, to facilitate flows of information and technology among people and organizations, and to promote the interaction and participation among sector actors. This will be achieved by strengthening: (a) MARNDR's capacity to plan and coordinate agricultural extension and training services provision; (b) agricultural sector information systems; and (c) MARNDR's capacity to implement sanitary and phytosanitary (SPS) controls and services.

7. Sub-component 1.a: Planning and coordination of agricultural extension and training services provision (US\$3 million). The sub component includes: (i) the establishment of learning based monitoring and evaluation mechanisms; (ii) the strengthening of the *Tables de Concertation Agricoles Departamentales*<sup>15</sup> and/or any other similar coordination mechanism; (iii) the strengthening of human resources capacity in the Recipient's agriculture sector through: (a) the carrying out of an evaluation and revision of university and vocational school training curricula for Agricultural Service Providers; and (b) the provision of financial and technical assistance to Technical Training and Research Centers and other training facilities fulfilling similar functions in the Priority Regions; and (iv) the facilitation of international and regional exchange of experiences and information on agricultural service provision. This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures to strengthen the capacity of the technical training facilities located in the Priority Regions, as well as in other appropriate public and private training centres.

8. The sub component will build the appropriate capacity within the MARNDR to facilitate the definition and implementation of the National Agricultural Extension Strategy (PDVA) and to ensure that the required institutional and organizational changes required for its effective implementation are in place at the national, departmental and local level. As part of this capacity, learning-based monitoring and evaluation mechanisms will be established to ensure that the lessons learned from current and new agricultural services provisions approaches are widely shared and mainstreamed within the national strategy. The M&E system, will build on the system developed under RESEPAG I and will serve to monitor the progress and evaluate the impact of proposed projects activities, so that lessons can be learned and shared and adjustments to project implementation made. The aim of this activity is to create an integrated system that will last and be of use to MARNDR beyond the proposed project's life cycle. The M&E system will help MARNDR to strengthen its orientation towards learning, impact and results.

---

<sup>15</sup> The *Table de Concertation* is a Department-level Agriculture Sector Table chaired by the MARNDR. Members of the *Table de Concertation* include NGOs, Farmer Organizations, public and private sector organizations present at the Department level.

9. This learning will also be achieved through the MARNDR's establishment and facilitation of a broad-based National Agricultural Services Coordination Committee within the existing National Agricultural Sector Table (*Table Sectoriel Agricole*) composed of national-level representatives that have a stake in agricultural service provision of the public, private and civil society sector, and the formulation of the process, governance, and agenda. This subcomponent, through the DDAs, will provide support to the Departmental Agricultural Services Platforms (*Tables de Concertation Agricoles Departamentales*), in particular in the South, South-East, North and North East of the country. These platforms will support the implementation of the RESEPAG II activities through the coordination and integration of stakeholder actions, and will provide a forum for the sharing of experiences and lessons, and the addressing of problems and opportunities as they arise. The DDAs will continue to lead and to facilitate the functioning of these *Tables de Concertation* to ensure the appropriate participation of key departmental level representatives of appropriate stakeholders so that they undertake social and technical monitoring of project investments.

10. In addition, specific efforts will be made by the MARNDR to strengthening human resource capacity for the sector through training and internship programs with the national (Universities) and regional (vocational schools) levels. This will be done through an evaluation and revision of the various curricula – in line with Haiti's new PDVA- that are used in the training of agricultural service providers and through support to, and the reinforcement of, the capacity of the technical training facilities located in the targeted regions, as well as in other appropriate public and private training centres. Internship programs will be financed to ensure practical applications of students' research and projects, as well as to provide short-term support to MARNDR staff.

11. Finally, the sub-component will promote the continued exchange of information and experiences through the facilitation and financing of training and dialogues among Haitian and international partners that are active in the agricultural services realm. This will include exchanges with organizations such as regional and international research centres, international civil society organisations, and the specialized organisations of the United Nations, among others. This subcomponent will finance meetings, training, studies, workshops, seminars, exchange visits, consultancies, networking, research tours and travel, and capacity building.

12. Sub-component 1.b: Agricultural sector information systems (US\$2 million). This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures, to increase the availability of quality price, agro-climate data and tools<sup>16</sup> that could be used to better manage agro-climatic risks and to enhance agricultural production systems. The subcomponent will establish agricultural sector information systems to: (i) increase the availability of quality agro-climate data and tools to improve advance planning for agriculture input use, managing crop yield risks, and the early identification of, and response, to animal and plant health threats; and (ii) strengthen the collection and dissemination of agricultural market prices to include farm gate prices.

---

<sup>16</sup> An example of such tools can be found in: [www.agroclimate.org](http://www.agroclimate.org)

13. This subcomponent will seek to increase the availability of quality data and agro-climate tools<sup>17</sup> that could be used to better manage agro-climatic risks and to enhance agricultural production systems. This information system will allow advance planning for agriculture input use and applications, manage crop yield risk, and early identification of, and response to animal and plant health threats through the design and implementation of the required national information systems. There is currently no animal and plant health database for Haiti, nor a system to disseminate agro-climatic information in a useful format for users (farmers, NGOs, private sector). Similarly, in the priority regions where the RESEPAG II interventions will be focussed, the system of collection and dissemination of agricultural market prices will be strengthened and expanded to also include farm-gate prices (the current system only collects information at the consumer-level). This activity has also been designed in coordination with an initiative under preparation by the Economic Research Service of USDA and a project funded by USDA's National Institute for Food and Agriculture to strengthen downstream analytical reporting on agriculture price information and the development of agro-climate tools for Haiti. In order for the activities of this sub-component to be implemented, existing animal and plant health, weather, price and agriculture statistics data will need to be collated and backed-up in the MARNDR's cloud computing information system

14. Specifically, this will be achieved through the development and delivery of agriculture information and climate risk management tools that will provide the agricultural sector in Haiti with agro-climatic information and a decision support system for better managing agricultural production risks associated with climate variability. Such activity will be under the responsibility of the UEP, and will require coordination with CNIGS, SNRE and other projects in preparation such as the PPCR. This system should ultimately contribute to a more sustainable and efficient production system in the country.

15. At the same time, RESEPAG II will also initiate the design, development and implementation of a national plant and animal health information system by the DPAV. This system will build heavily on the integration of basic field surveillance and data collection by GSBs and GSPs which will equally receive support under this project, collate existing plant and animal disease information and be supported by a number of specific studies to build the required baseline data essential for the effective operation of the system.

16. A third data and information system, based on a system of collection and dissemination of agricultural market prices by CNSA will be strengthened. CNSA currently collects bi-weekly market price information for food products. The objective is to: (i) increase the frequency of reporting (moving towards weekly data collection); (ii) reduce the time to disseminate the data (by collecting and distributing the information via mobile phone platforms); and (iii) collect information on farm-gate prices (not only market prices). These improvements will be done in the targeted regions of the south, north and north-east departments. In line with experiences of such applications in other nations, this activity is expected to have significant impact on the marketing and negotiation behaviour of individual farmers and farmer organizations.

17. Sub-component 1.c: SPS capacity (US\$5 million). This subcomponent could finance goods, works, non-consultant services, consultancies, among other expenditures for the carrying out of:

---

<sup>17</sup> An example of such tools can be found in: [www.agrolclimate.org](http://www.agrolclimate.org)

(i) training and infrastructure investments to improve bio-security, diagnostic and quarantine services; and (ii) studies to operationalize sanitary and phytosanitary. The recently completed OIE assessment of Haiti's veterinary services and a subsequent GAP analysis<sup>18</sup>, planned to be finalized by the end of 2011, will provide the country with the appropriate strategic framework for the future development and investments. In the interim, however, the MARNDR is bringing a modicum of coherence to the many ongoing and planned, projects and investments in animal and plant health services through the preparation of an operational plan for 2011-2012. This short-term plan will not only initiate the coordination and direction of such projects and activities towards the sector broader development objectives defined in its 2009 National Livestock Strategy, but it will also prevent overlap and facilitate the identification of funding gaps and opportunities.

18. This sub-component will also strengthen the capacity of GSBs and GSPs to manage health related production risks, to contribute to the implementation of vaccination campaigns, and to actively participate in animal and plant health disease surveillance and data collection. This will be achieved through the establishment or reinforcement of the GSBs and GSPs through specific training courses, increased guidance and mentoring services, the provision of simple diagnostic and treatment kits, support to the implementation of a rural cold chain, and the design and implementation of specific reporting mechanisms. In addition to the above set of actions, RESEPAG II will also provide the required additional support for the establishment and effective operation of basic diagnostic laboratories in the participating departments. This support is most likely to be targeted towards the provision of specific training, laboratory equipment and consumables and additional resources that will facilitate the mobility of staff and the collection and transfer of collected data and samples.

19. This sub-component will therefore finance: (i) support and facilitation of studies and stakeholder processes to contribute to the operationalisation of the SPS services, and (ii) priority training, equipment and infrastructure investments to ensure the effective and sustainable deployment of current and future bio-security, quarantine and diagnostic capacity. In subsequent years, the activities will be determined in conjunction with the MARNDR, other donors and projects following the finalization and adoption of the OIE Gap analysis.

#### Component 2: Provide support for local agricultural extension and innovation services (US\$ 36 million)

20. This component will strengthen the local provision of, and access to, agricultural support and extension services through: (i) the establishment of a Market Support Facility (MSF) to be managed by MARNDR, in coordination with the *Tables de Concertation Agricole Departamentale*, to co-finance on a matching-grant basis the carrying out of investments and/or activities for productive purposes to: (a) promote the adoption of priority technologies and improved agricultural inputs; (b) undertake applied research in agriculture supply chains not covered by public research programs; (c) strengthen producer-based organizations and provide for an increased level of technology transfer; and (d) promote improvements in post-harvest and agribusiness technology distributed to Eligible Farmers; and (ii) the strengthening of the MSF's institutional capacity through, *inter alia*: (a) the provision of equipment and technical assistance;

---

<sup>18</sup> The GAP analysis will be undertaken by using the OIE PVS pathway.

and (b) the carrying out of, training activities, studies, workshops and exchange visits.. This component will finance: (i) works, goods, vehicles, equipment and consultancies to strengthen local agriculture extension and innovation capacity; and (ii) the carrying out of meetings, training, studies, workshops and exchange visits. These activities will accompany the farmer-level agriculture technologies and inputs promoted by the MARNDR (and financed by the parallel GAFSP project supervised by the IADB)<sup>19</sup> by increasing the capacity of public, private and civil society (NGO) local service providers to deliver and serve the needs of their clients. Examination of major supply chains does provide examples of the potential of the agriculture sector in economic growth and job creation where NGOs, public and private sector form partnerships:

i. **Dairy.** Since 2001, dispersed farmers raising typically one or two dairy cattle have joined forces with a Haitian NGO, Veterimed, to produce and market high-quality yoghurt sold in the capital through convenience stores using a single brand label. The technical expertise provided on animal health care, processing and food safety in combination with a central quality control and packaging function, has enabled them to achieve margins that make the venture commercially viable.

ii. **Essential oils.** A dozen distillers of vetiver in the south of Haiti produce this essential oil for the European perfume industry. The leading Haitian producer of vetiver oil distills up to a dozen differentiated vetiver oil types, the top grade selling for five times more the regular grade produced in Haiti. This leading producer has also started to encourage other producers to diversify into new lines such as patchouli oil and ylang ylang essence, and is collaborating with researchers to adapt and multiply appropriate plant varieties.

iii. **Agroforestry.** Coffee and mangoes are the leading agro-exports from Haiti, depending solely on small farmers. Haiti has developed high quality niche products (*Mangue Francique*, “*Haitian Bleu*” Coffee) and the world market differentiates these specialty and high quality categories, paying high premiums. Locally, however, the supply chain has, at times, lost market share due to lack of public goods and services, such as plant health and extension.

21. The MSF will provide co-financing resources (matching grants) to: (i) reinforce the capacity of public, private and civil society local service providers for promoting the adoption of priority technologies and improved inputs; (ii) undertake applied research in agriculture supply chains not targeted by the public research programs (such as coffee, cocoa, vetiver, etc.); (iii) strengthen producer-based organizations to better respond to farmer needs and allow for increase level of technology transfer; and (iv) to provide technical assistance for post-harvest and agri-business technology improvements (in coordination with the MARNDR’s rural supply chain project - DEFI). The MSF will seek to allocate funds to new opportunities that arise during implementation and make special allocations in the case of emergencies (natural disasters).

22. The MSF will be managed by the following co-financing principles: (i) leveraging of existing resources (with non-monetary co-financing not exceeding 80% of the total co-

---

<sup>19</sup> The IADB-GAFSP project will specifically finance smart subsidies (vouchers, conditional cash payments) to promote specific agriculture technologies and improved inputs in the same geographic areas as RESEPAG II.

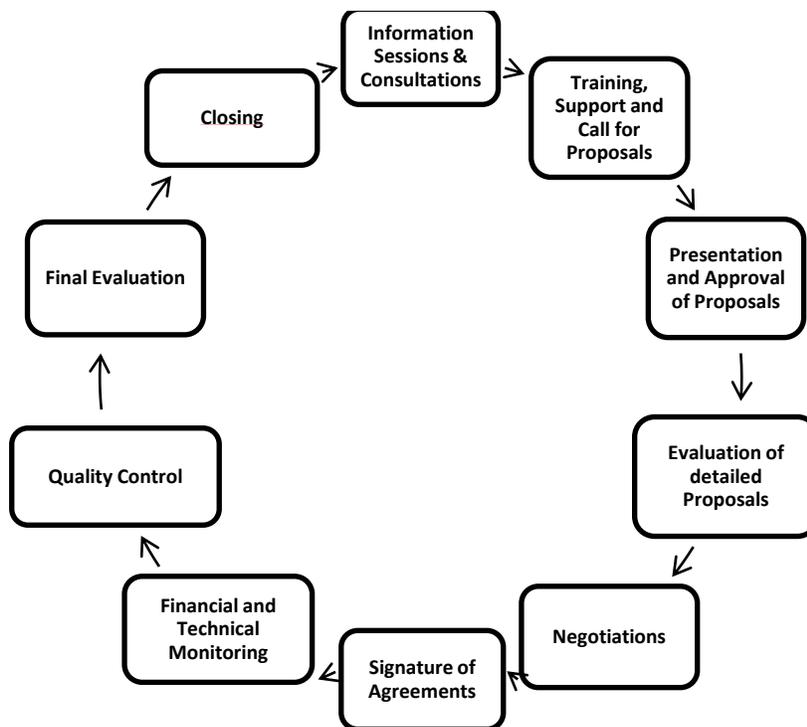
financing); (ii) promote competition among service providers and enhance the range of services offered; (iii) respond to identified and confirmed needs of sector stakeholders, and (iv) build the recipients capacity to respond to changing sector needs and opportunities. The overall governance of the MSF will be provided through the *Table Secotrielle Agricole*, and its National Agricultural Services Coordination Committee, and at the local level the MSF will be managed by the *Table de Concertation*, and/or any other similar coordination mechanism, with support of the DDA and an external Operator. The first call for concepts to be considered for funding in selected departments will invited from year two of the project onwards. This will allow for the appropriate establishment of the above described governance mechanisms and undertake awareness, capacity building activities, and organisation of support activities that will ensure the effective participation of all eligible stakeholders. During the first year, the project will strengthen the capacity and facilitate the integration of a range of existing local service providers that are active in the South, South East, North and Northeast (such as for example DEFI and PDMN, RECOCARNO, ORE, Agro Action Allemande, AVSF, and Veterimed) in the implementation of the national agricultural extension strategy (PDVA). This will be specifically achieved through partnership agreements to facilitate of linkages, training and targeted investments that will extend the breadth and depth of their activities in the local agricultural sector, the range of services provided, and their geographical coverage. These partnerships will seek to strengthen agriculture extension services to accompany the promotion of the adoption of priority technologies and improved inputs that will be financed by the RESEPAG I and the parallel GAFSP project (under IADB supervision).

23. The process to access the MSF funds will be the following (see Figure 1 below): An initial project profile will be the first step for the allocation of the resources of the market support facility. They should have a clear and precise idea of the strategy to address the identified issue or business opportunity related to the following themes (or co-financing windows):

- a. Strengthening agriculture extension services to increase access to priority technologies and improved inputs. This window will provide co-financing for local agriculture extension providers (public sector programs, NGOs, private sector, farmer organizations) focusing on MARNDR's priority technologies and improved inputs (*paquets technologiques*). It is expected that this financing will accompany the farmer-incentive program for adoption of such technologies and inputs to be financed by RESEPAG I and the parallel GAFSP-IADB project. Some illustrative examples would be: (i) supporting private sector input suppliers on training programs and educational material for the use of improved (zinc) fertilizer, (ii) co-financing NGOs farmer training on agroforestry (fruit tree grafting), (iii) supporting seed multipliers for expanding supply of improved (biofortified) seeds.
- b. Applied research. Several agriculture supply chains, in particular agro-exporting ones such as cocoa, sugar cane, and vetiver, are not receiving public nor donor financing for research. Given the identified needs in some of these chains, and the capacity and private interests of the actors involved, co-financing will be made available for projects focusing on small farmer productivity and income. Some illustrative examples would be: (i) supporting cocoa cooperatives in testing new varieties and mixed cropping material; (ii) co-financing the research of coffee federations/NGOs of new forestry species in coffee growing areas; (iii) co-financing the private sector testing of vetiver applications and processing.

- c. Strengthen producer-based organizations. In order for the public sector and service providers to be more efficient in delivering extension and other agricultural services to farmers; and in order for farmers to be able to be better integrated into agricultural innovation systems, it is critical to exploit and build the capacity of producer-based organizations. This window will provide co-financing based on demand from producer organizations that wish to strengthen their administrative, management, strategic leadership and/or brokering capacity to act as a catalyst for agriculture innovation. Some illustrative examples would be: (i) co-financing financial literacy training by NGOs, financial institutions or cooperatives; (ii) supporting vocational schools in delivering leadership/management courses to members/leaders of agriculture farmer groups; (iii) financing women groups/cooperatives involved in agriculture in obtaining legal status.
- d. Technical assistance for post-harvest and agri-business development. Agriculture extension is often seen as support to individual farmers in primary agriculture activities, however there are significant opportunities to improve post-harvest operations, not only adding value to food products, but also avoiding the post-harvest losses. This window will seek to complement private sector efforts for agriculture transformation and processing, as well as supporting farmer groups to tap into domestic and international food markets, including food aid. This window will exploit complementarities with MARNDR's rural supply chain project (DEFI), as well as with PRODEP's CDD investments. Some illustrative examples would be: (i) supporting coffee/cocoa cooperative in improving post-harvest operations; (ii) co-financing private sector investments in improving transport/logistics for fruit products (plastic cases, packaging, etc.); (iii) financing T.A. and equipment for maize producers/processors to access local procurement markets of food aid.

**Figure 1: Sub-project Cycle**



24. The MSF will also include features to build emergency response capacity within the facility. In that respect, coping and prospering in a country where weather conditions and animal disease status are highly dynamic, will require specific attention to two aspects. The first aspect includes the arrangements and attributes that lead to rapid response, meaning the factors that allow a timely response in a rapidly changing environment are crucial. This implies that response capacity must both include mechanisms for early warning of up-coming changes, as well as those for dealing with the opportunities and challenges that arise from these. The second aspect refers to the specificity of the response, meaning the response must be tailored to the specific characteristics of the opportunity or challenge as well as the context of the response. Such actions will thus stimulate locally-specific action around production, utilization, processing and distribution of agricultural products or livestock that generate new services and production arrangements. However, in the case of sub-projects related to emergency situations, if individual farmer subsidies are proposed, this will need to be in geographic regions not covered by existing subsidy programs (from RESEPAG I or IADB), and will need to following the same farmer subsidy mechanism under RESEPAG I. Finally, if an emergency situation requires the culling of animals, a Compensation and Culling Manual must have been adopted to the Bank’s satisfaction.

25. The following Table describes the estimated maximum amounts per subproject per window, including co-financing percentages. Discrepancies (in excess) from the estimated amounts will need to be duly justified and receive Bank clearance. Also, the percentage of maximum

cofinancing can increase due to the following reasons: (i) above a pre-specified threshold of the number of small-farmers involved in the subproject; (ii) the potential for positive environmental impacts; (iii) the incorporation of nutrition enhancing technologies or inputs (including the bio-fortification as well as fortification of local foods); (iv) emergency situations; and (v) the level of women participating in the subprojects or projects managed by women groups.

**Table 1: Market Support Facility (MSF) Parameters**

MSF Window	Maximum Amount per Sub-Project	Producer/Service Provider Cofinancing (can be in kind)	MSF Cofinancing	
			Maximum MSF Contribution	Maximum MSF Amount
<b>a. Priority technologies and improved inputs</b>	~USD100,000	20%	80%	~USD80,000
<b>b. Applied research</b>	~USD100,000	20%	80%	~USD80,000
<b>c. Organizational Strengthening</b>	~USD40,000	50%	50%	~USD20,000
<b>d. Post-harvest and agri-business</b>	~USD100,000	50%	50%	~USD50,000

26. The eligibility criteria for subprojects are: (i) having the beneficiary farmers registered in the National Farmer Registry (RNP), and in the case of NGOs, having the farmers or farmers group written confirmation of the proposed sub-project; (ii) having attended the information sessions about the sub-project process; and (iii) having a legally established organization<sup>20</sup> (farmer group, cooperative, NGO, University, registered private service/input providers, etc.). In the case when demand exceeds the available resources, the profiles will be selected considering some of the following priority criteria: (i) technical quality and potential contribution to the RESEPAG II PDO and adherence to the cofinancing principles; (ii) potential geographical coverage and number of beneficiaries; (iii) potential for diffusion and process lessons; (iv) the range of socially desirable outcomes addressed, particularly in respect of gender, food security and nutrition, poverty, public health and the environment.

27. Following the selection of the eligible profiles, the selected stakeholders will be invited to prepare a technical proposal of the project, which will be assessed using the same criteria described above. The *Table de Concertation* will consider training and support for the potential participants on proposal preparation, including the financial and managerial aspects of the project. The MSF will be a decentralized extension and innovation market support facility (managed by the MARNDR in coordination with the local development partners members of the *Table de Concertation*, and/or any other similar coordination mechanism) and will be complemented by a series of activities to: (i) create awareness about these resources and how they can be accessed; (ii) provide specific assistance and services that will facilitate and promote the participation access to funding by all eligible stakeholders; and (iii) undertake local and

<sup>20</sup> However, the project will also provide specific assistance to applicants to get the required legal recognition in case an interested organization does not meet this criterion. This will be part of the mandate of the External Operator to be hired by the project.

regional exchange forums and events to share and learn from the experiences and outcomes of activities and investments supported through the market support resources facility.

28. The management of the MSF funds will require financial, procurement, negotiation, legal and monitoring and learning capacities, which will be established in year one of the RESEPAG II program by the hiring of an external Operator (similar to that one under RESEPAG I, and ideally the same one). The Operator will provide the above-mentioned need for external assistance to the MARNDR, stakeholder meetings, awareness and information campaigns, writing proposals, and the fiduciary supervision of approved funds under the facility. This subcomponent will finance market support innovation, equipment, meetings, training, studies, workshops, exchange visits, consultancies, and capacity building.

### Component 3: Agriculture Risk and Emergency Response Contingency Reserve (US\$ 1 million)

29. Following an adverse natural disaster, animal or plant health emergency, or food crisis affecting the agriculture sector of Haiti during the execution period of the project, the Government of Haiti (GoH) may request the Bank to re-allocate project funds to support response and reconstruction. This component will provide support upon occurrence of an Agriculture Sector Emergency through: (i) the carrying out of Emergency Recovery and Rehabilitation Subprojects and/or (ii) the implementation of a Farmers Subsidy Scheme for Eligible Farmers. This component will allow the GoH to request the World Bank to re-allocate financing to cover early recovery and rehabilitation costs related to the agriculture sector.

30. Disbursements will be made against a positive list of critical goods, and/or a farmer subsidy scheme agreed with the Bank, and/or the procurement of goods, works, and consultant services required to support the needs of the GoH. All expenditures under this component, should it be triggered, will be in accordance with OP/BP 8.00 and will be appraised, reviewed and found to be acceptable to the Bank before any disbursement is made. If not disbursed 12 months before the closing date, the amount of US\$1 million can be made available to finance activities under the other project components.

31. In accordance with OP/BP 8.00, this component will provide immediate, quick-disbursing support to finance goods (positive list of imports agreed with the GoH), works and services needed for response, mitigation, recovery and reconstruction activities in the agriculture sector. The funds under this component will allow the GoH to recover emergency expenditures incurred following the disaster or crisis in the agriculture sector instead of diverting resources from other pre-disaster budgeted expenditure. Emergency operating costs eligible for financing will include the incremental expenses incurred by the GoH for early recovery efforts arising as a result of the impact of major natural disasters or crisis in the agriculture sector. Accelerated procurement procedures for national and international competitive bidding applicable under OP 8.0 would apply to procurement of expenditures under this component.

32. Farmer Subsidy Schemes, animal or plant health response programs, goods, works and services under this component will be financed based on review of satisfactory supporting documentation presented by the government including adherence to appropriate procurement practices where applicable. All supporting documents for such expenditures must also be

verified by the Internal Auditors of the GoH and by the MARNDR Project Coordinator, certifying that the expenditures were incurred for the intended purpose and to enable a fast recovery following the damage or economic losses caused by adverse natural events or crisis in the agriculture sector, before the Application is submitted to the Bank. This verification should be sent to the Bank together with the Application.

33. Specific eligible expenditures under the subcomponent could<sup>21</sup> include: (i) construction materials; water, land and air transport equipment, including spare parts; (ii) agriculture supplies and equipment; (iii) medical supplies and equipment; (iv) petroleum and fuel products; (v) construction equipment and industrial machinery; (vi) communications equipment; (vii) urgent agriculture infrastructure works (repairs, rehabilitation, construction, etc.) to mitigate the risks associated with the disaster for affected populations; and (viii) urgent studies (either technical, social, environmental, etc.) necessary as a result of the effects of the disaster or crisis (identification of priority works, feasibility assessments, designs of adequate works, delivery of related analyses, etc.).

34. Specific eligible expenditures for farmer subsidies will be cash or voucher payments provided to farmers registered in the National Producers Registry through an intermediary financial institution (similar to the subsidy scheme under RESEPAG I). Specific eligible expenditures for response to plant and animal health crisis will need to meet Bank criteria in terms of farmer compensation manuals, and socio-environmental safeguards.

#### Component 4: Project Administration and Coordination (US\$ 3 million).

35. Project execution will be under the same team executing RESEPAG I, which is under the responsibility of the Direction General (DG) of MARNDR. This component will support MARNDR in its day-to-day management of the Project, through, *inter alia*, the provision of technical assistance, the acquisition of equipment and vehicles and the financing of Operating Costs. All efforts by the MARNDR will be made to coordinate project implementation across MARNDR's units, in particular the DDAs involved, the Programming and Studies Unit (UEP), Directorate of Animal and Plant Health (DPAV), and the Directorate of Research and Training (DRF). To support project coordination and supervision, this component will finance technical assistance, operational costs, and other related costs. The program coordinator in the DG team will be the primary Bank counterpart for the purposes of project supervision and will interface with the fiduciary functions of the Directorate of Administration and Finance (DAAF). The RESEPAG project coordinator will submit all documentation from the various directorates for the Bank's information and/or clearance. He/she will also be responsible for identifying any gaps between programmed and executed technical, social, environmental, financial, and/or administrative activities related to project execution and Annual Operating Plans (AOP), follow-up on baseline and indicators performance, and provide support to independent evaluations and auditors. All reporting will be done jointly for RESEPAG I and II.

---

<sup>21</sup> Specific eligible expenditures are in the Operational Manual.

## Annex 3: Implementation Arrangements

### 1. Project institutional and implementation arrangements

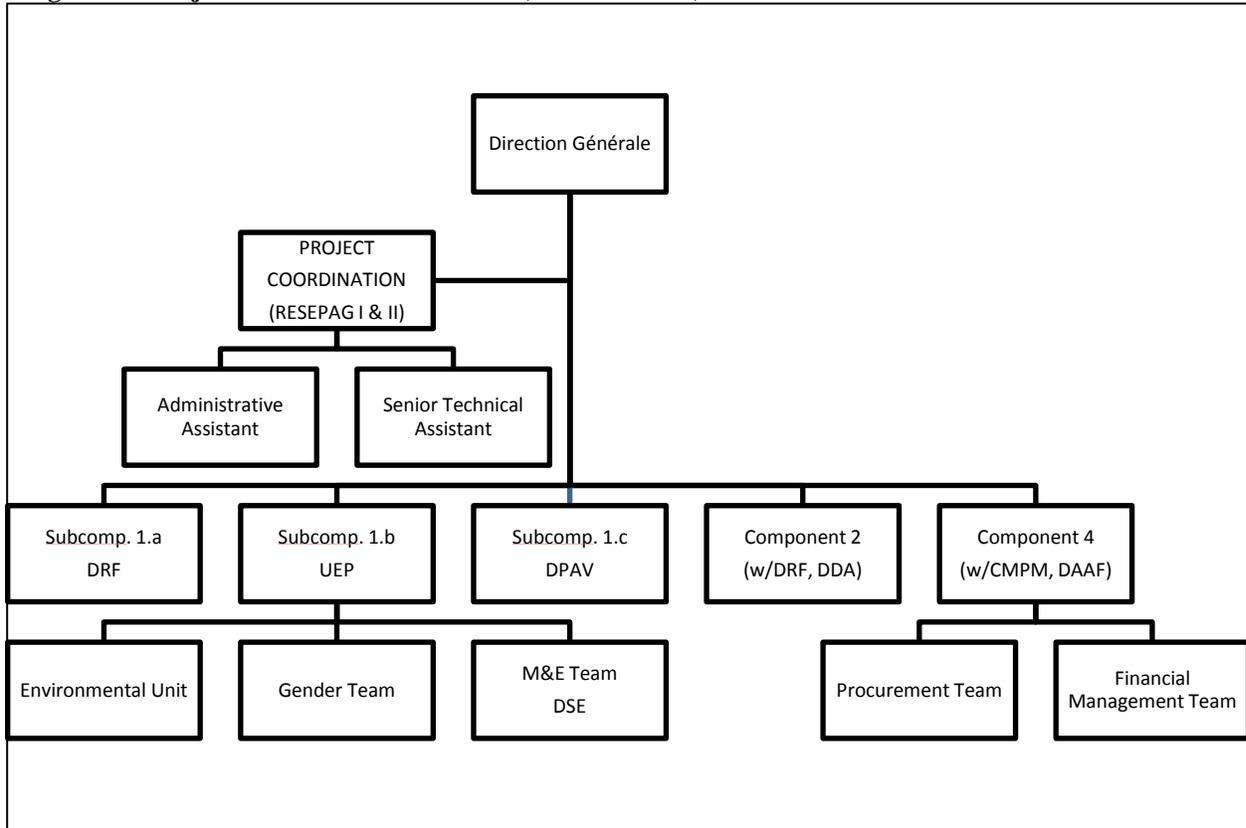
#### i. Project administration mechanisms

1. **Institutional arrangements.** The Project implementing entity will be the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) through the RESEPAG Project Unit. The MARNDR has institutional competence for agriculture and rural development and, through the RESEPAG Project Unit, experience in the implementation of Bank-financed projects. The MARNDR has already been assessed on technical and fiduciary issues in 2009 during the preparation of the RESEPAG I project. RESEPAG I, although with some delays due to the January 2010 earthquake and the 2010-2011 electoral process, has been executing the project as planned. A fiduciary and institutional assessment was undertaken during project preparation of RESEPAG II in order to assess the experiences so far with RESEPAG I and as a result additional resources (human and material) and institutional arrangements needed for MARNDR to execute RESEPAG II have been identified. Specifically, such additional support, human resources and capacity strengthening under RESEPAG II, will be focused on the mainstreaming of gender and environmental issues, and dedicated to the management of environmental safeguards, fiduciary and M&E aspects of project implementation.

2. **Implementation arrangements.** The RESEPAG I team will be strengthened with: (i) a Project Coordinator Assistant; (ii) an additional Financial Management Specialist; (iii) a Senior Procurement Specialist; (iv) a Gender Specialist; (v) a Senior Environmental Specialist; and (vi) a Senior Monitoring and Evaluation Specialist. Most of these additional positions are currently being recruited and will be paid for by RESEPAG I, and additional junior staff and consultants will also be hired under RESEPAG I and II.

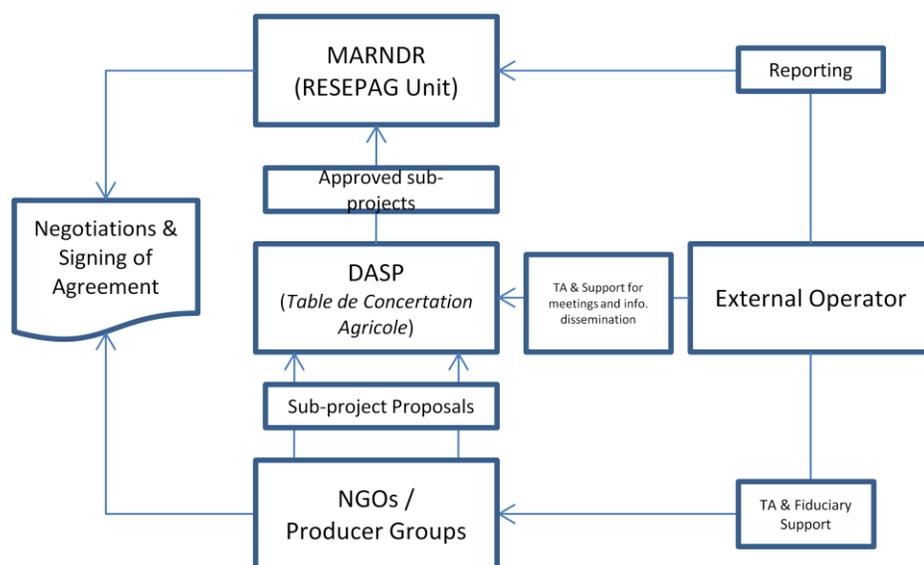
3. Although the existing institutional structure of MARNDR reflects the legacy of past approaches to public sector involvement in the agriculture sector, the MARNDR has proven its ability to lead the sector by quickly preparing and approving a NAIP with wide support from Development Partners and securing funding from GAFSP only months after the January 2010 earthquake. Nevertheless, RESEPAG I and II are expected to continue the current efforts in strengthening MARNDR's institutional capacity by using MARNDR's current institutional structure, and focusing on core functions, such as fiduciary capacity, budgetary processes, agricultural support services, and policy and donor coordination.

**Figure 1 - Project institutional structure (RESEPAG II)**



4. At the regional level, the Project will strengthen the DDAs in each of the initial project areas (North, Northeast, South East, and South) in order to undertake the activities related to M&E, supporting the Departmental Agricultural Services Platform (*Tables de Concertation* in French), and/or any other similar coordination mechanism, and coordinate and supervise overall project investments on the ground. The *Tables de Concertation* is an existing platform that has the objective to harmonize, coordinate and monitor the agriculture activities in each Department; and it is composed by representatives of the MARNDR (DDA), local producer groups, NGOs, private sector representatives, and other public sector representatives (local Government and departmental office of other Ministries, like Women’s affairs). For the execution of Component 2, the MARNDR and the DDA will benefit from the support of an external Operator (similar to that one under RESEPAG I, and ideally the same one) that could be a private firm or NGO.

**Figure 2. Institutional arrangement and process for the MSF (Comp. 2)**



5. At the field level, the Operator, under the supervision of the DDA, will support the DASP (*Table de Concertation*), and/or any other similar coordination mechanism, in undertaking a communications and training campaign to promote the co-financing facility, informing of the process and facilitating applications for sub-project proposals. The Operator will also support producer groups in preparing detailed project proposals and undertake a close fiduciary supervision and training (see Figure 2).

6. **Operational Manual (OM).** The RESEPAG I's OM has been updated to include all procedures, rules and standards for the implementation of all aspects of the RESEPAG II including but not limited to: institutional arrangements; operation of the project coordination team; project planning, monitoring & evaluation; social and environmental review of subproject, reporting, communication, human resources; procurement, including procurement by producer groups; administrative and financial management; procedure for amending the OM<sup>22</sup>. The Operational Manual includes a Guide for the MSF, with simplified description of procedures for use by the *Tables de Concertation*, NGOs, Operator, and broader dissemination among producer groups and private sector.

7. **Flow of funds.** The project will have two Designated Accounts, one for GAFSP and another one for IDA resources, managed by the RESEPAG Project Unit. Disbursements will flow directly from these accounts and onto the accounts of: a) beneficiary producers groups or NGOs for subproject grants; and b) providers of goods or services for all other expenses.

8. **Demand-driven approach with a negative list and focus areas.** Based on the principle of strengthening the demand for agriculture extension and innovation services, it is expected that producer groups and NGOs will prepare their subproject within the choices of financing windows of the MSF (see description in Annex 2.). Eligibility of investment in the different

<sup>22</sup> Amendments to the OM will need to be acceptable to the Bank.

windows will take into consideration: (i) a list of non-eligible activities (negative list); (ii) the alignment of the proposed activity with the objectives of the co-financing facility; and (iii) to avoid duplications and look for complementarities with other sub-projects and initiatives in the same area. The Project negative list will be included in the Operational Manual.

## **ii. Financial Management, Disbursements and Procurement**

### **a. Financial Management**

#### ***Risk assessment***

9. As mentioned above, Haiti is still facing serious financial management challenges at the country level. These challenges could impact the PFM component of the project and the overall execution of the project. The mitigation measures include: (i) the recruitment of an additional Financial Management Advisor in charge of the overall fiduciary system of the project as well as overseeing the strengthening of the capacity of the DAAF; (ii) careful design of the PFM component in coordination with the MEF and the MPCE to avoid duplications and set realistic goals; and (iii) recruitment of an external auditor with acceptable qualifications and experience. Although fiduciary risk is rated high at the country level, and substantial at the program level, the residual risk rating at the program level is expected to be Substantial once the mitigation measures are implemented.

#### ***Summary of Financial Management Arrangements***

10. **Financial Management Institutional Arrangements.** Under the MARNDR responsibility, the MARNDR will be responsible for financial management and for preparing audits of accounts, systems and procedures acceptable to the Bank. The Project Coordinator will be the authorizer of expenditures at the Project level and will work with the Financial Management Advisor who is entrusted with the overall financial management responsibilities of the project. The MARNDR will keep records of all project-related expenditures in order to prepare financial statements that will be audited annually, by independent auditors acceptable to the Bank. The MARNDR will also prepare Interim un-audited Financial Reports (IFRs) on a quarterly basis due to be submitted to the Bank no later than 30 days after the end of every quarter.

11. Given the added responsibilities for the MARNDR for RESEPAG II, the project will support the strengthening of the fiduciary capabilities of the agency. The Bank during the project launch will provide intensive training on both financial management and procurement procedures to staff in the MARNDR to ensure that they can support the provision of training to relevant officials of the beneficiary agencies such as the service providers, operators, and NGOs.

12. During the last supervision mission of RESEPAG I, the team noted that the MARNDR was maintaining financial records on a manual basis and the MARNDR is in the process of designing and installing an accounting system (software) to record and report project transactions. Considering that the grant amount (US\$50 million) for RESEPAG II is ten times

the amount of RESEPAG I (US\$5 million), it is important that the accounting software be configured for the RESEPAG II project no later than 4 months after project effectiveness to allow for accurate and effective monitoring of project transactions.

**13. Accounting Software.** The project's accounting records will be maintained using a computerized financial management system. The system will be based on an accounting package capable of producing all the accounting and financial data required, including financial statements, bank reconciliation statements, and all financial reports, such as the Interim Financial Reports (IFRs). The accounting software is in the process of being procured and must include the following modules to be integrated: Budgeting, general accounting, cost accounting, reporting, monitoring and evaluation, fixed assets management, preparation of withdrawal applications, and tracking of disbursements by donors.

**14. Internal Controls and Procedures.** The MARNDR will maintain a strong system of internal controls and procedures that are documented in the Operational Manual to enable all stakeholders of the farmers subsidy program to be cognizant of the detail project operating guidelines necessary to implement the program. Other administrative controls will be maintained by the service providers and NGOs to ensure that accurate records are maintained for transmission to the MARNDR who will record and disburse the MSF sub-project grants.

**15. Flow of Funds and Disbursement Arrangements.** *Disbursement Arrangements:* Proceeds of the Grant will be disbursed from the World Bank on the basis of withdrawal requests by the Recipient using the SOE method which is based on summary reports in the form of Statement of Expenditures for all categories, and where relevant, applications for direct payments to Service Providers and Financial Agents. Two designated accounts will be opened at the central bank (*Banque de la Republique d'Haiti /BRH*) in US\$ and will be managed by the RESEPAG Project Unit. Detailed procedures of the funds flow mechanism will be documented in the FM Procedures Manual. In the case of a response to a natural disaster, the project may finance direct farmer support through farmer subsidies. Disbursement arrangements in the event of a farmer subsidy scheme are described below and follow the same arrangements as RESEPAG I:

**16. Statement of Expenditures:** Necessary supporting documents will be sent to the Bank in connection with contract that are above the prior review threshold, except for expenditures under contracts with an estimated value of (a) US\$ 100,000 or less for Works and Goods, (b) consulting firms US\$ 100,000 or less, and (c) for individual consultants training and operating costs US\$ 50,000 or less will be claimed on the basis of SOEs. The documentation supporting expenditures will be retained at the RESEPAG Project Unit and will be readily accessible for review by the external auditors and periods Bank supervision missions. All disbursements will be subject to the conditions of the Financing and Grant Agreements and disbursement procedures as defined in the Disbursement Letters.

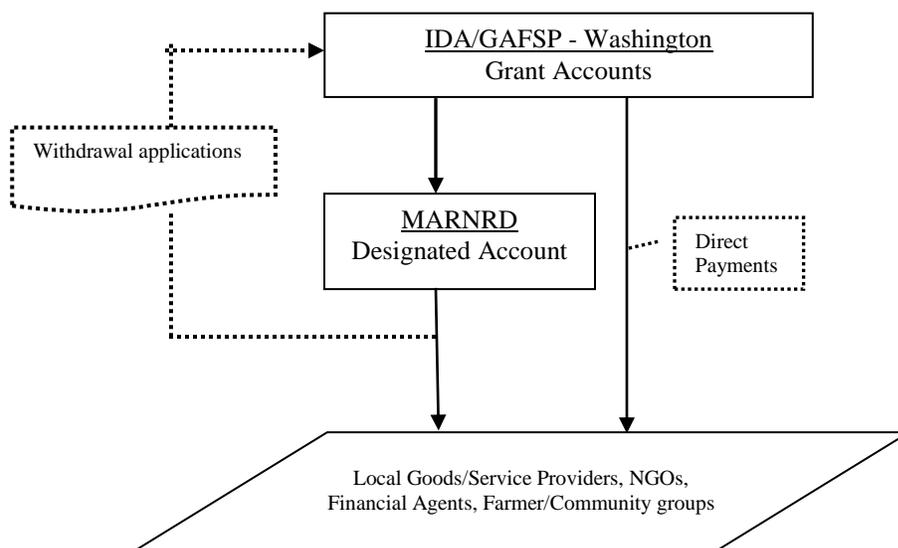
**17. Payments to Farmers:** Payment of cash transfers to Farmers will be handled by a Financial Agent that have established agencies in the Districts to allow for financial transfers to farmers eligible under the program. Farmers will receive vouchers from the Service Providers to obtain cash from the financial agent or materials from service providers. These

vouchers will be issued by the MARNDR for service providers in batches to enable them distribute to farmers in lieu of checks and addressed to the farmers eligible in the program. The vouchers will be accurately tracked and reported in monthly financial reports to be transmitted to the MARNDR by the Service Providers. Farmers who do not meet the program requirements in the first tranche of subsidy payments will not be eligible in the second tranche of payments.

18. *Payment to NGOs, farmer groups, and Service Providers:* The NGOs, farmer groups, and service providers obtain funds according to the specified schedule and terms of contractual agreements with MARNDR. The Service Providers will inform the MARNDRs of the names of the farmers who enroll in the subsidy program and ensure that the agreed-upon procedures between the farmers and the MARNDR are properly documented and adhered to for the initial subsidies provided to the farmer.

19. *Payment to Financial Agent:* Funds transferred to the Financial agent for farmers will be based on the funds to be provided to farmers and reported on a validated list of eligible farmers names provided to the financial agent by the MARNDR and Service Providers.

The flow of funds is described below.



**Table 1: Allocation of proceeds for IDA Financing Agreement**

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Works, Non-consulting Services, Consultants' Services, Training and Operating Costs under Parts 2 and 4 of the Project	24,400,000	100% of the amounts disbursed under ach Subproject

(2) Goods, Works, Non-consulting services, Consultants' services and Operation Costs: (a) under Emergency Recovery and Reconstruction Subprojects; and (b) financed by Farmer Subsidy Scheme Payments under Part 3 of the Project	700,000	100%
<b>TOTAL AMOUNT</b>	25,100,000	

**Table 2: Allocation of proceeds for GAFSP Grant Agreement**

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Works, Non-consulting services, and Consultants' services under Parts 1 and 4 of the Project	10,000,000	100%
<b>TOTAL AMOUNT</b>	10,000,000	

20. **Financial Reporting.** The MARNDR will be responsible for the preparation of periodic financial reports for the project. It will prepare IFRs on a quarterly basis, and the annual financial statements. The IFRs will be submitted to the Bank no later than 45 days after the end of the quarter.

21. **External Audit.** The annual financial statements will be subject to external audit and the MARNDR will be primarily responsible for ensuring that auditor's recommendations are implemented. The external audit will be undertaken by a private firm selected in accordance with independence and competency criteria acceptable to IDA. The audit report will be submitted to the bank no later than six months after the end of each project financial year. The audit report will include a management letter containing findings and recommendations relating to the project's internal controls at the MARNDR level. The selection of the auditor should be completed by no later than 4 months after project effectiveness. The audit reports will be reviewed by the MARNDR.

22. **Financial Management Action Plan.** The following actions have been established by the MARNDR as necessary to strengthen the financial management arrangements for the project:

**Table 3**

	Actions	Deadline	Intermediate Milestones	Responsibility
1.	Selection and Appointment of External Auditor	Four months after Effectiveness	Selection process started immediately after Effectiveness	MARNDR
2.	Acquisition of Accounting Software and	Four months after	Selection process started	MARNDR

	Configuration for MARNDR use	Effectiveness	immediately after Effectiveness	
--	------------------------------	---------------	---------------------------------	--

23. **Supervision plan.** Given the substantial risk of the project, close supervision of the financial management system will be required. Twice a year, supervision missions will be conducted. The missions will notably focus on the strengthening of the financial management capacity of the MARNDR and the MSF facility. Close attention will also be given to the contract with the Operator. The IFR and annual audit reports will also be reviewed.

**b. Procurement**

24. Procurement for the Project activities will be carried out in accordance with the World Bank Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants dated January 2011 and Guidelines: Selection and Employment of Consultants under IBRD Loans & IDA Credits & Grants by World Bank Borrowers dated January 2011; and with the provisions of the Financing Agreement. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements and timeframe are agreed between the Borrower and the Bank in the Procurement Plan.

25. **Procurement of Works:** Works procured under this project will include, *inter alia*, infrastructure to ensure the effective and sustainable deployment of current and future bio-security, quarantine and diagnostic capacity; waste management facilities; and rehabilitation of existing Research and Extension Centers, the Biosafety Laboratory, and Vocational Training facilities. The procurement will be done using the Bank's Standard Bidding Documents (SBD) for all ICB and SBD satisfactory to the Bank for other procurement methods.

26. **Procurement of Goods:** Goods procured under this project will include, *inter alia*, basic office space, ICT equipment and software, office supplies, equipment and furniture necessary for project coordination, training and dissemination materials, laboratory equipment, equipment to ensure the effective and sustainable deployment of current and future bio-security, quarantine and diagnostic capacity, equipment to strengthen animal and plant health systems and market support innovation, etc. The procurement will be done using the Bank's SBD for all ICB and SBD satisfactory to the Bank for other procurement methods.

27. **Selection of Consultants:** The project will finance consulting services for capacity building activities to enhance (a) MARNDR's capacity to plan and coordinate agricultural extension and to provide training; (b) the agricultural sector's information systems; and (c) MARNDR's sanitary and phytosanitary (SPS) control and protection capacity. The project will also finance technical assistance to strengthen animal and plant health systems and the design and implementation of the required national information systems. In addition, it is envisaged that technical assistance for post-harvest and agri-business technology improvements and for fiduciary management capacity building for the Directorate of Administrative and Financial Affairs (DAAF) will be provided under the financing. Short lists of consultants for services estimated to cost less than \$100 equivalent per contract may be

composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

**28. Procurement of non-consulting services:** Non-consulting services for project execution, such as those needed for local and regional exchange forums and events to share and learn from the experiences and outcomes of activities and investments supported through the market support resources facility, training events and publications will be acquired in accordance with the Bank's procurement guidelines. This procurement will also be carried out using the Bank's SBD or SBD satisfactory to the Bank.

**29. Operating Costs:** These costs will include consumable goods required to implement the project and other expenditures related to maintenance of office equipment, salary and per diem, transport and logistics, as well as the costs of conducting supervision and training. These items will be procured using the implementing agency's administrative procedures, which were reviewed and found acceptable to the Bank.

**30. Assessment of the agency's capacity to implement procurement:** Procurement activities for RESEPAG II will be carried out by the same project team that has been implementing procurement under RESEPAG I. While the performance of the MARNDR has been generally satisfactory to date, in light of the larger scale of the new project, the procurement team will need to be reinforced by the recruitment of an additional procurement specialist, preferably an international short term consultant, and a procurement assistant. The MARNDR procurement team is already experienced in World Bank procedures and, with the addition of the proposed new procurement staff, should be well-equipped to execute procurement according to World Bank Guidelines. However, the overall public procurement system in Haiti remains relatively weak. Despite recent reforms in the legal and institutional framework for procurement, there is still a lack of skilled personnel with knowledge of international norms, limited planning and follow-up capacity, and insufficient use of standard documents and procedures. This generally risky environment for procurement creates serious obstacles to project implementation which have been exacerbated by the January 2010 earthquake. Consequently, the overall project risk for procurement is HIGH.

**31. Procurement Plan, Thresholds for Procurement Methods and Bank Review.** The summary procurement plan for implementation of the proposed Project was agreed between the Recipient and the Project Team on July 14, 2011 and is presented below in Table 4. The plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The bidding documents will be made available through the MARNDR's website to the public. The recommended thresholds for the use of the procurement methods specified in the Financing Agreement for Components 1, 2 and 4 are identified in Table 5 below. Accelerated procurement procedures for national and international competitive bidding applicable under OP 8.0 would apply to procurement of expenditures under Component 3. These thresholds, as well as the requirement for IDA prior review of all contracts, are common to all World Bank projects in Haiti, and have served as the basis for the agreed procurement plan. Supervision of procurement will be carried out primarily through prior review supplemented by supervision missions at least twice a year.

**Table 4. Summary Procurement Plan**

Procurement Plan for Goods and Consultants services							
Ref. No	Description of Assignment	Estimated Cost US\$	Packages	Review by Bank (Prior / Post)	Method	Request for Proposal issued/Bidding docum.	Contract Signature
1	Consultancy : diagnostic of price, SPS, and agroclimatic information systems	823,000	1	Prior	SFQC	6/2012	8/2012
2	Consultancy : Agriculture Extension for Coffee Producers	300,000	1	Prior	SFQC	6/2012	8/2012
3	Consultancy : Agriculture Extension for Milk Producers	300,000	1	Prior	SFQC	6/2012	8/2012
4	Consultancy : Agriculture Extension for Biofortified Seeds	300,000	1	Prior	SFQC	6/2012	8/2012
5	Consultancy : Agriculture Extension for Irrigated Areas	300,000	1	Prior	SFQC	6/2012	8/2012
6	Consultancy : Technical Assistance for the Management of the MSF	3, 364,000	1	Prior	SFQC	5/2012	7/2012
7	Consultancy : Financial Audit	160,000	1	Prior	SMC	2/2012	4/2012
8	Consultancy : Technical Audit	920,000	1	Prior	SFQC	6/2012	8/2012
9	Individual Consultants	3, 277,000	multiple	Prior	CCV	N/A	N/A
10	Works : construction of a animal and plant health center and rehabilitation of existing laboratories	500,000	multiple		AON	6/2012	10/2012
11	Equipements	183,200		Prior	CF, AON		
12	Vehicles and Motorcycles	648,000	2	Prior	AOI	2/2012	7/2012
13	Office Furniture	76,600	1	Prior	AON	2/2012	4/2012
14	Reagents for animal and plant health tests	60,000	1	Prior	ED	4/2012	6/2012

**Table 5: Thresholds for Procurement Methods and Prior Review**

<b>Expenditure Category</b>	<b>Contract Value (Threshold) US \$ thousands</b>	<b><i>Procurement</i> Method</b>	<b>Contracts Subject to Prior Review</b>
<b>1. Works</b>	>1,000	ICB	All
	100-1,000	NCB	All
	<100	Shopping	All
	Regardless of value	Direct Contracting	All
<b>2. Goods, Medical Supplies and Equipment</b>	>100	ICB	All
	25-100	NCB	All
	<25	Shopping	All
	Regardless of value	Direct Contracting	All
<b>3. Consulting Services</b> <b>- 3.A Firms</b>	Regardless of value	QCBS, QBS, FBS, LCS	All
	<100	CQS	All
	Regardless of value	Single Source	All
<b>- 3.B Individuals</b>	Regardless of value	Comparison of 3 CVs in accordance with Chapter V of the Guidelines	All

*Abbreviations:*

ICB = International Competitive Bidding

NCB = National Competitive Bidding

DC = Direct Contracting

LCS = Least-Cost Selection

CQS = Selection Based on Consultants' Qualifications

SSS = Single Source Selection

QCBS = Quality- and Cost-Based Selection

QBS = Quality-Based Selection

FBS = Fixed Budget Selection

**iii. Environmental and Social (including safeguards)**

**a. Environmental aspects**

32. This project focuses on expanding access to agriculture extension services and promoting environmentally-friendly investments and practices in agriculture. It will have a positive impact on the agricultural environment, resource use and surrounding landscape. The project will not support any activities that have large-scale, significant or irreversible adverse impacts on the environment. For this reason the project is proposed as a Category B because its suite of potential adverse impacts on the environment are easily identified, mitigated and managed. The project triggers the following safeguard policies: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36) and Pest Management (OP/BP 4.09). Because exact investments will only be identified during project implementation, and many of these investments will complement those investments made under RESEPAG I and the Avian Influenza Control and Human Influenza Emergency Preparedness and Control project (PRECONIA), the project will update and expand the existing Environmental and Social Framework (ESMF) that is in place for the RESEPAG I and PRECONIA projects to identify and manage the suite of potential adverse impacts under this project and identify

when additional Environmental Management Plans (EMPs) and Pest Management Plans are necessary.

33. Four types of impacts are foreseen under this project, arising from:

- a. *Civil works*: some construction impacts will be associated with the rehabilitation of existing Research and Extension Centers, the Biosafety Laboratory, and Vocational Training facilities. The selection of these facilities and the type of rehabilitation has not yet been determined. No new facilities will be supported under this project. These impacts (e.g. noise, construction waste, etc.) will be limited in time and space, and actions to minimize and mitigate them are included in the project's ESMF.
- b. *Waste management*: some activities may include the proper treatment and disposal of animal carcasses, some of which may carry diseases. The ESMF has adopted procedures outlined under the Environmental Management Plan (EMP) developed for the PRECONIA project, to minimize, mitigate and manage these potential impacts.
- c. *Occupational health and safety*: during both construction and extension services, the project will expose workers to a variety of potential safety hazards. As such, the ESMF was updated to include actions and training programs to safeguard workers.
- d. *Pest management*: the ESMF will outline procedures to minimize, mitigate and manage the potential impacts from the storage and application of pesticides.

34. The ESMF also includes a screening procedure to screen out the MSF sub-projects that will negatively impact critical natural habitats; (ii) adversely affect the management of natural forests; or (iii) lead to an increase in the use of, or the storage, application or handling of, pesticides in Categories I and II of the WHO Recommended Classification of Pesticides by Hazard (2005). As a result, and coupled with a project design that emphasizes the adoption of environmentally-friendly new technologies and others that favor increased productivity over simple land expansion, the project will have a positive impact on natural habitats and the management of forests in the project's area of influence.

35. The preparation, implementation and oversight of safeguard actions will be done by the Environmental Cell that exists within MARNDR. To assist this Cell, the ESMF includes indicators to monitor compliance as well as a training and dissemination program to build capacity within the Cell and to build a constituency for environmental awareness in the agricultural sector more broadly. The Bank will perform an environmental compliance audit during its mid-term review to identify opportunities to enhance environmental outcomes and better manage adverse impacts.

36. The ESMF and OM are available through MARNDR's website (and through the World Bank website at [www.infoshop.org](http://www.infoshop.org)). Prior to appraisal, MARNDR and its decentralized institutions (DDAs, BACs) consulted with stakeholders on the ESMF, and have addressed the comments received. Prior to the beginning of activities under Component 2, MARNDR (through the DDAs and BACs) will also consult with project-affected peoples within the project's sphere of influence to inform them of the project, opportunities to engage with it, potential adverse short-term impacts and how they will be mitigated, and the grievance redress mechanism available to them should they need it.

## **b. Social aspects**

37. The Project is not associated with any social safeguard risks. At the same time, from the outset, the project has sought to address social factors relevant to the project as well as the potential distributional impacts and risks, so that benefits will be delivered equitably and inclusively. A stakeholder analysis and social assessment were carried out as part of RESEPAG I during February and March 2009 and were based on extensive consultations, with both MARNDR staff and community members in the target project areas. The results of these assessments, relevant findings and recommendations from the gender assessment undertaken for the World Bank rural development project PRODEP, and lessons learned from the Gender Action Plan (GAP) grant undertaken in support of RESEPAG I (September 2009-December 2011) are serving as the basis for the design of RESEPAG II. Furthermore a gender review has been carried out in RESEPAG II's target areas and a section of basic principles of the co-financing facility in Component 2 is dedicated explicitly to gender issues. These findings have been used to inform project design and implementation plans for the activities financed under the Grant.

38. Key social issues related to agriculture are: (i) access to resources, including land (security/titling) and skills (production and market/profit orientation); (ii) gender and youth as related to agricultural responsibilities, decision-making, production within the value chain, and economic control; (iii) the role of agricultural and production cooperatives in building and maintaining social capital, and gender informed data collection. Given that currently MARNDR has minimally addressed social, particularly gender-related, concerns through agricultural and rural policy and investments, the project will seek to build upon RESEPAG I activities to better mainstream these issues and address this institutional development priority. RESEPAG I has already developed a financial literacy program for women involved in agriculture production and trade, as well as it has strengthened the MARNDR's team on gender issues and supported the integration of a Gender Focal Point into the Ministry.

39. The findings from the analyses undertaken during project preparation and appraisal, as supported by Haitian development literature and the global gender and agriculture literature including the new FAO publication, "Women and Agriculture: Closing the Gap for Development", brought out key social concerns that will need to be addressed throughout project duration, particularly in agricultural policy and agriculture opportunities and responsibilities. The analyses undertaken to underpin RESEPAG I showed that at the Ministerial level (component 1), according to human resource records, there is a limited number of women staff within professional and managerial positions and extremely low level of recruitment and hiring of younger professionals. The lack of systematic inclusion of junior staff means that there will be a vacuum of potential knowledge in the ministry in coming years. In addition, the studies demonstrated that in MARNDR agricultural and rural sector policy and investments, there had been minimal mainstreaming of social aspects, particularly in relation to gender.

40. There have been important advancements in terms of gender since that RESEPAG I was approved and the project has had an important and recognized role in that progress. In the fall of 2009 a Gender Focal Point from the Ministry of Women's Affairs (MCFDF) was appointed to MARDNR. An important part of the Gender Focal Point's role is to facilitate a

coordinated process between MARDNR and MCFDF to more effectively mainstream gender and consider women's unique vulnerabilities and contributions to the sector in agriculture policy and programming. Although the integration of a gender focal point into the ministry is a national governmental mandate, it has been challenging for the appointed individual to penetrate MARNDR's existing structures and the January 12, 2010 earthquake only further complicated the process.

41. The gender inclusion programming in RESEPAG I and the supporting GAP project provided a project-based entry point for the gender focal point, which has now become a stable position in the MARNDR, providing inputs to high-level policy and Ministry-wide programming. Moreover, RESEPAG I provides a model for the kind of gender-inclusive programming that is feasible in the complex Haitian given its incorporation of gender analysis into project preparation and ongoing gender consultations and review of project plans, such as the Operational Manual, participation criteria for the farmer subsidy scheme and the recruitment campaign provided a model for the kind of gender-inclusive programming that is feasible in the complex Haitian context. The post-disaster circumstances had the implication that like the rest of RESEPAG I, the gender inclusion programming did not advance as fast as envisioned at appraisal. Nevertheless, a March 2011 ministerial review by the Gender Focal Point recognizes RESEPAG I's contributions in this area, asserting that the project "has paved the way for mainstreaming gender in MARDNR policies, demonstrating the need for gender integration in other key MARDR projects." In this regard one must acknowledge the Bank's advocacy and efforts to improve conditions for women in agriculture<sup>23</sup>.

42. Regarding local agriculture support services (component 2), it is widely recognized that in Haitian agricultural production, gender, age, and socio-economic status greatly influence labor/employment prospects and tasks. The gender reviews substantiated these points, showing that women were largely absent from leadership roles in mixed productive organizations as a result of pervasive illiteracy among women producers, women's time constraints because of their domestic responsibilities which limit the frequent travel and meeting attendance leadership roles entail, as well as men's resistance to women occupying higher profile positions in such groups. Furthermore, the reviews showed that women are typically at the lowest earning points in agricultural value chains. Therefore, project-related developments in the advancement of the agricultural sector from its subsistence orientation to more active engagement in agricultural markets (local, national and international), will likely have measurably distinct impacts on rural stakeholders across these different demographics. This means in striving for more equal benefit distribution, the project will need to consider and adapt activities considering the vulnerabilities and challenges faced by different stakeholder groups.

43. Carefully considered recommendations regarding social factors in each activity have been incorporated into design and implementation plans and have been validated with the MARNDR and through consultations held in the Project Areas during May 2011. For component 1, these include: (i) support for systematic recruitment and inclusion of junior

---

<sup>23</sup> Les Acquis pour l'IDG dans les politiques publiques du MARNDR au cours de l'instauration du Programme-Genre du RESEPAG octobre 2009-mars 2011

level staff for the implementation of the PDVA; (ii) continued attention to gender balance in managerial staffing; and (iii) additional strengthening for the agriculture gender unit at MARNDR; and (iv) support for incorporating gender awareness in programmatic and policy development for agriculture extension strategy and planning. For component 2, actions include: (i) training for field staff on gender mainstreaming in planning and practice to ensure that extension services cater to the needs of, and are equally relevant and accessible to both women and men, and finally integrating this into planning processes; (ii) the inclusion of gender and youth indicators in the M&E system that are to be developed; (iii) the creation of conditions for facilitating youth and women's access to basic agricultural training and co-financing opportunities for accessing and developing extension services; (iv) that the *Table de Concertation*, and/or any other similar coordination mechanism, includes representation from groups with gender programming so that this entity has the appropriate personnel to monitor and supervise gender inclusion; and (v) providing support to local agriculture organizations (women-only and mixed gender) so that they can attain the legal registration required to apply for Project sponsored co-financing.

#### **iv. Monitoring & Evaluation**

44. The Project M&E System is under the responsibility of the Directorate of Monitoring and Evaluation (DSE) of the Ministry of Agriculture Natural Resources and Rural Development (MARNDR), in accordance with its legal mandate. To this end, the MARNDR will assign a full-time senior manager from the DSE to work as M&E Coordinator for the project. In order to collect the required data, the M&E Coordinator will directly liaise with the local Departmental Directorate (DDA) and the DRF of the Ministry, as well as with the different local organizations (external partners) collecting data in the Project's implementation regions.

45. The M&E coordinator will be an employee of the MARNDR, but if the Ministry does not have sufficient human resources, the Project will finance a long-term consultant assigned to this task to support the DSE in its responsibility. For this purpose the project's M&E coordinator will follow each indicator and identify unequivocally the mechanisms of data collection, the source of data and the responsibilities for collection and reporting as well as the reporting schedule as specified in Annex 1. The M&E coordinator will also develop a series of standard tables with key output and intermediary outcome indicators by component to report on implementation progress. These standardized tables will be an integral part of the progress report to be annexed to the quarterly IFRs. Additionally, the Bank will conduct supervision missions twice a year to assess progress made in the implementation of project activities. The midterm review will be conducted no later than 3 years after the project approval, and focus on progress towards achieving project outcomes, relevance and effectiveness of the indicators and overall monitoring system. It will also review the implementation plan and operational manual. A final external evaluation will be conducted 6 months prior to project closure, to draw lessons from project design and implementation, and the achievement of results.

46. The performance indicators for the Project are described in the Project Result Framework in Annex 1. Expected results and targets are defined for each activity and some of them are identified as being also linked to the GAFSP financed portion of the project being supervised

by the IADB. Key PDO level result indicators for the project are: (i) the number of farmers (disaggregated by gender) who have access to improved agriculture information, technologies, inputs, material and services<sup>24</sup>; (ii) Number of client days of extension services provided to farmers and community members (disaggregated by gender); and (iii) the definition, adoption and implementation of a national extension strategy by the MARDNR and main stakeholders. The project will also monitor the following impact indicators related to the GAFSP<sup>25</sup>: (i) the number of farmers (disaggregated by gender) who adopt improved agricultural technologies and/or better risk management techniques for animal and plant health, and (ii) their corresponding increase in agriculture revenues and food security.

#### **v. Role of Development Partners**

47. The GAFSP resources allocated to this project are part of an overall proposal submitted by the Haitian Government (see Annex 8) which includes a second component of US\$25 million under the supervision of the IADB for the financing of farmer subsidies in the same geographic region. Coordination with the IADB project (currently under preparation) is being done by the same RESEPAG I unit that will execute both projects. Furthermore, joint preparation missions and reporting on M&E and safeguards has been done for the project preparation phase and is expected to continue through execution. Beyond the GAFSP and IDA financing, there are no other international or bilateral donors financing the project.

48. Complementarily to this project, USAID has provided a US\$10million grant to be administered by USDA for: (i) providing training on agriculture price information systems; (ii) higher education scholarships and training; and (iii) training for the strengthening of agriculture vocational schools. During project preparation, the team and the MARNDR has coordinated the design of project activities to complement USDA's capacity building program that is expected to begin in 2012.

---

<sup>24</sup> The methodology for measuring this indicator will be defined by an in-depth impact evaluation methodology currently under preparation by the MARNDR with the support of the World Bank's DIME initiative.

<sup>25</sup> The GAFSP have certain core indicators that will be monitored following an in-depth impact evaluation methodology. However since these impact indicators do not depend on RESEPAG II directly, but mostly on the GAFSP resources being supervised by the IADB, they will not be included in the Financing Agreement nor in the Project's ISR.

**Annex 4**  
**Operational Risk Assessment Framework (ORAF)**

<b>Project Development Objective(s)</b>	
The proposed development objective is to strengthen the MARNDR's capacity to further define and implement the National Agriculture Extension Strategy (PDVA) and to increase access of small farmers to agriculture <sup>26</sup> extension services and training on animal and plant health in priority regions <sup>27</sup> , as well as to provide financial assistance in case of an agriculture sector emergency.	
PDO Level Results Indicators:	<ol style="list-style-type: none"> <li>1. Number of farmers (disaggregated by gender) who have access to improved agricultural information, technologies, inputs, material, and services.</li> <li>2. Number of client days of extension services provided to farmers and community members (disaggregated by gender).</li> <li>3. The definition, adoption and implementation of a national extension strategy by the MARDNR and main stakeholders.</li> </ol>

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
<b>1. Project Stakeholder Risks</b>				
1.1 Stakeholder	Low	Local public and private sector organizations may not support proposed detailed project activities on the field due to lack of ownership and consultations beyond the ones held during the preparation of the NAIP and the PDVA.	Detailed project activities will be discussed with local actors during project execution as part of the communications strategy of the project and training.	O
<b>2. Implementing Agency Risks (including FM &amp; PR Risks)</b>				
2.1 Capacity	Medium-	Reduced fiduciary and technical capacity inhibits	Substantial capacity building activities	O

<sup>26</sup> Agriculture includes crop and livestock production.

<sup>27</sup> See map in Annex 7 for priority areas as specified in Haiti's National Agriculture Investment Plan (NAIP).

	I	the development of project investments and activities. The proposed implementation modality maximizes the usage of the MARNDR for which the existing capacity is weak. In addition, targeted rural farmers and communities are unlikely to have had much experience managing resources according to Bank standards.	have been planned under this project. The MARNDR has received training in RESEPAG I.  To compensate for missing capacity within the MARNDR, service providers, operators and NGOs will provide training to implement the program.	
2.2Governance	Medium-L	There's a risk that the leadership of the Ministry will not continue to support the project as it does currently. Weak governance could lead to a straying from the operational manual and Bank procedures. Given the low capacity of the MARNDR a void may be created, rendering the project vulnerable to capture.	Close project supervision and sector dialogue through political transition periods.	0
<b>3. Project Risks</b>				
3.1Design	Low	There could be discussions and different proposals from new sources of funding in the future.	The Bank team will work closely to ensure consultations and technical advice from MARNDR and outside experts during project execution.	0
3.2Social & Environmental	Low	Given the increase in investments, the current capacity of MARNDR to supervise environmental safeguards may not be enough.	Based on existing good practice under the ongoing projects, the Bank team incorporated in project design the necessary capacity building activities to expand safeguards implementation and will provide close supervision during project execution.	0
3.3 Program & Donor	Low	Close coordination with other Development Partners, in particular the IADB, will be required in order to maximize the impact of project activities.	The Bank team will work closely with the local IADB project team to ensure coordination and complementarities.	0
3.4 Delivery Quality	Medium-I	Recurrent costs are not assured under the public sector budget to sustain the increased level of activities and capacity once the project has concluded.	The Bank will continue working with the MARNDR and the MEF on seeking to increase/reallocate the public budget for agriculture in more efficient ways.	0

Final Rating:

<b>Appraisal Decision Chair</b>	<b>Risk Rating: Preparation</b>	<b>Risk Rating: Implementation</b>	<b>Date</b>	<b>Comments</b>
<b>Overall Risk</b>	Medium-I	Medium-I	August 1, 2011	

## Annex 5: Implementation Support Plan

### Strategy and approach for Implementation Support

1. The strategy for Implementation Support (IS) has been developed based on the nature of the project and its risk profile. It will aim at making implementation support to the client more flexible and efficient, and will focus on implementation of the risk mitigation measures defined in the ORAF.

- **Procurement:** IS for procurement will include: (i) providing training to the executing agency; (ii) reviewing procurement documents and providing timely feedback to the Procurement Specialists in the executing agency; (iii) providing detailed guidance on the Bank's Procurement Guidelines to the Procurement Specialist within the executing agencies; and (iv) monitoring procurement progress against the detailed Procurement Plan, which will be updated once per year (or as required) to reflect project implementation needs and improvements in institutional capacity.
- **Financial Management:** Supervision will review the project's financial management system, including but not limited to accounting, reporting and internal controls.
- **Environmental and Social Safeguards:** The Bank team will supervise the implementation of the agreed Environmental and Social Management Framework and Plans, and will provide guidance to the Environmental Cell of MARNDR to address any issues as they may arise.

### Implementation Support Plan

2. The Bank team has representatives in HQ, so in order to ensure timely, efficient and effective implementation support to the client, full supervision and field visits will be carried out at least semi-annually with additional partial supervision missions for the first two years. Detailed inputs from the Bank team are outlined below:

- **Technical inputs:** An animal and plant health (SPS) expert is required to review detailed plans and bidding documents related to Component 1 to ensure proper technical specifications and fair assessment of the technical aspects of the bids. During preparation and strengthening of the biosafety laboratory, technical supervision is required to ensure technical contractual obligations are met. For component 2, close technical supervision will be needed from the nutritional, environmental and communications experts. The team expert will conduct site visits twice a year after the activities start.
- **Fiduciary requirements and inputs:** Training will be provided by the Bank's financial management specialist and procurement specialist during project implementation, The team will also help the MARNDR identify capacity building needs to strengthen their financial management capacities and to improve procurement management efficiency. Formal supervision of financial management will be carried out semi-annually, while procurement supervision will be carried out on a timely basis as required by the client.
- **Safeguards:** The Bank will closely follow the compliance with environmental safeguards. Field visits, with the participation of the Environmental Cell of MARNDR and Bank's specialist, will take place on semi-annual basis at minimum.

3. The main focus of implementation support is summarized below.

<b>Time</b>	<b>Focus</b>	<b>Resources Estimate</b>	<b>Partner Role</b>
Year 1	Technical and procurement review of the bidding documents	SPS expert 4SW Extension Specialist 4 SW Procurement Specialist(s) 6 SW	Technical review of TDR and bidding documents
	Procurement Training	Procurement Specialist 2 SW	
	FM supervision and training	FM specialist 6 SW	
	Social supervision and training	Social Specialist(s) 5 SW	
	Communication Strategy support	Communications Expert 2 SW	
	Environmental supervision and training	Environmental Specialist(s) 5 SW	
	Team leadership	TTL 12 SW	
Years 2 to 5 (SW per year)	Project implementation and execution	SPS expert 4SW Extension Specialist 4 SW Procurement Specialist 4 SW	
	Environmental and social monitoring and reporting	Environmental Specialist(s) 5 SW Social Specialist(s) 5 SW	
	Financial management disbursement and reporting	FM Specialist 4 SW	
	Task leadership	TTL 10 SW	

Note: SW – Staff-Week

## II. Skills Mix Required

<b>Skills Needed</b>	<b>Number of Staff Weeks</b>	<b>Number of Trips</b>	<b>Comments</b>
SPS expert	10 SW first year 6 SW year 2-5	Field trips as required	
Extension Specialist	4 SW first year 4 SW during component implementation	Field trip as required	
Procurement Specialist	8 SW first year 4 SW year 2-5	Field trip as required	
Financial Management Specialist	6 SW first year 4 SW year 2-5	Field trip as required	
Social Specialist	5 SW per year	Two	
Environmental Specialist	5 SW per year	Two	
Nutrition Specialist	4 SW until required	Field trip as required	
Communication Specialist	2 SW when required	Field trip as required	
Task Team Leader	10 SW per year	Two	

## Annex 6: Team Composition

### World Bank staff and consultants who worked on the project:

Name	Title	Unit
<i>Diego Arias</i>	<i>Senior Agriculture Economist</i>	<i>LCSAR</i>
<i>Ariani Wartenberg</i>	<i>JPA, Environmental Specialist</i>	<i>LCSAR</i>
<i>Eli Weiss</i>	<i>Rural Economist</i>	<i>LCSAR</i>
<i>Yao Wottor</i>	<i>Senior Procurement Specialist</i>	<i>LCSPT</i>
<i>Alois Ndorere</i>	<i>Consultant, Procurement Specialist</i>	<i>LCSPT</i>
<i>Franck Bessette</i>	<i>Senior Financial Management Specialist</i>	<i>LCSFM</i>
<i>Valerie Hickey</i>	<i>Environmental Specialist</i>	<i>LCSDE</i>
<i>Rachel Nadelman</i>	<i>Consultant, Social Specialist</i>	<i>LCSAR</i>
<i>Barbara Coello</i>	<i>Consultant, Social Specialist</i>	<i>LCSAR</i>
<i>Erika Salamanca</i>	<i>Project Assistant</i>	<i>LCSAR</i>
<i>Jeroen Dijkman</i>	<i>Senior Agriculture Specialist</i>	<i>FAO</i>
<i>Marie Chantal Messier</i>	<i>Senior Nutrition Specialist</i>	<i>LCSHH</i>
<i>Pai-Yei Whung</i>	<i>Adviser</i>	<i>ARD</i>
<i>Hassine Hedda</i>	<i>Senior Financial Specialist</i>	<i>CTRFC</i>
<i>Melanie Zipperer</i>	<i>Senior Communications Officer</i>	<i>LCREA</i>
<i>Nicolas Weber</i>	<i>IT Consultant</i>	<i>LCSAR</i>
<i>Julius Thaler</i>	<i>Counsel</i>	<i>LEGLA</i>



**Annex 8 - Additional Annexes**  
(in file and available upon request)

1. National Agriculture Investment Plan 2011-2016.
2. GAFSP Proposal from the Haitian Government, June 2014 (approved).
3. Draft National Agriculture Extension Strategy (PDVA), March 2011.
4. Draft RESEPAG I & II Operations Manual.