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**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF HAITI**

FOR THE

**PRODUCTIVE INITIATIVES SUPPORT PROGRAMME IN RURAL AREAS**





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### CURRENCY EQUIVALENTS

Currency Unit	=	Haitian gourde (HTG)
USD 1.00	=	HTG 26
HTG 1.00	=	USD 0.0384

### WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 hectare (ha)
1 hectare (ha)	=	2.47 ac

### ABBREVIATIONS AND ACRONYMS

AFD	<i>Agence française de développement</i>
BRH	Bank of the Republic of Haiti
DPP	Participatory Diagnosis and Planning
EU	European Union
FAES	Fund for Economic and Social Assistance
FLM	Flexible Lending Mechanism
GRO	Grass-Roots Organization
IDB	Inter-American Development Bank
M&E	Monitoring and Evaluation
MARNDR	Ministry of Agriculture, Natural Resources and Rural Development
MEF	Ministry of Economy and Finance
MFI	Microfinance Institution
MPCE	Ministry of Planning and External Cooperation
NGO	Non-Governmental Organization
PDC	Community Development Plan
PICV2	Food Crops Intensification Project, Phase II
PAIP	Productive Initiatives Support Programme in Rural Areas
PPI	Small-Scale Irrigation Schemes Rehabilitation Project
SME	Small and Microenterprise
UIE	Economic Initiatives Unit

### GOVERNMENT OF THE REPUBLIC OF HAITI

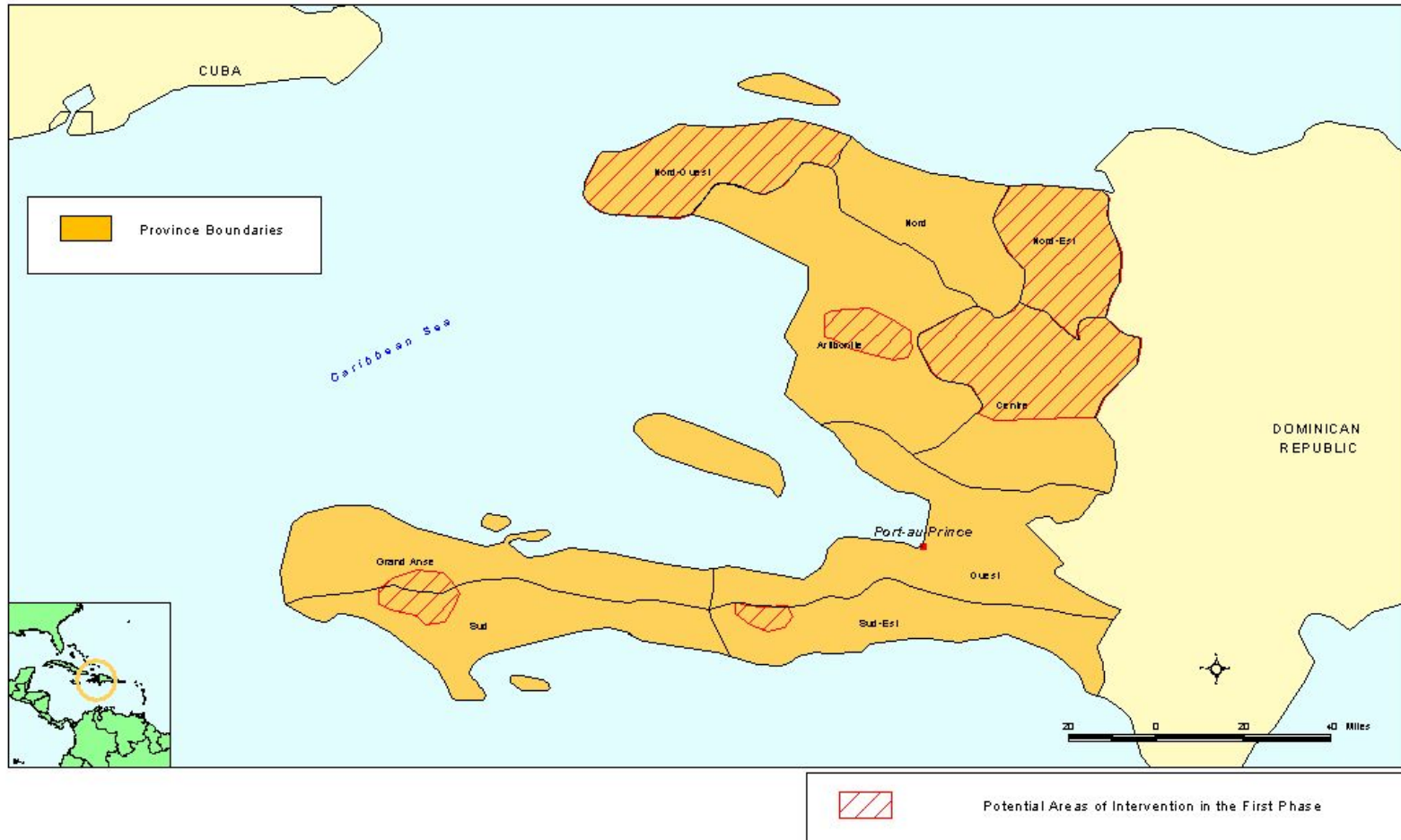
#### Fiscal Year

1 October - 30 September

# MAP OF THE PROGRAMME AREA

HAITI

## Productive Initiatives Support Programme in Rural Areas (PAIP)



iv

Source: IFAD.

*The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*





**REPUBLIC OF HAITI**

**PRODUCTIVE INITIATIVES SUPPORT PROGRAMME IN RURAL AREAS**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Haiti
<b>EXECUTING AGENCY:</b>	Fund for Economic and Social Assistance (FAES)
<b>TOTAL PROGRAMME COST:</b>	USD 28.1 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 17.4 million (equivalent to approximately USD 21.7 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three-fourths of one per cent (0.75%) per annum
<b>CONTRIBUTION OF BORROWER:</b>	USD 2.1 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 4.3 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services (UNOPS)



## PROGRAMME BRIEF

### **Who are the beneficiaries?**

The programme combines policy dialogue and institutional support to rural development and poverty reduction at the national level with field activities in the poorest areas of selected departments. It will establish targeting mechanisms to reach the rural poor, with emphasis on the most marginal groups and enclosed areas. The beneficiaries will therefore be small farmers, the landless, women and youth, and project activities will extend to their economic organizations, women's groups and microfinance institutions. Over a ten-year period, the programme will reach about 80 communes and another 600 communities, with a total population estimated at about 500 000, directly or indirectly benefiting the majority.

### **Why are they poor?**

The lack of access to essential public services (health, education, justice), poor infrastructure (roads, electricity, telecommunication), physical isolation and political and social exclusion make living conditions in rural areas particularly difficult. There are many poverty factors related to the physical, socio-economic, technological and institutional environment. In particular, there is accelerated degradation of natural resources, farm decapitalization, limited size of landholdings, scarcity of credit and high cost of money, coupled with unawareness of available technologies, constraints on the quality and supply of agricultural inputs and a lack of support services. Poverty has adverse repercussions on women in their domestic activities and their efforts for the survival of the family. They suffer from severe discrimination in community management and public affairs, and do not have decision power, even in matters of direct concern.

### **What will the programme do for them?**

The programme will contribute to poverty reduction through diversifying and increasing incomes on a sustainable basis, improving food security and leading to better and sustainable management of natural resources. A gender-sensitive approach will be an integral part of decision-making related to programme activities. Specifically, the programme will: (i) strengthen local and national capacities for development planning and management with the participation of grass-roots organizations, which will constitute the central axis of the programme; (ii) support initiatives related to recapitalization of farms, intensification and diversification of agricultural production, sustainable management of natural resources, processing and marketing of produce, improvement of rural infrastructure, non-agricultural and service microenterprises, etc; and (iii) facilitate sustainable access to financial services by the targeted rural poor, and in particular the most marginal groups.

### **How will beneficiaries participate in the programme?**

Participation of the most vulnerable groups of the rural poor in local development planning and management is the *raison d'être* of the programme. The participatory methodology involves the training of programme staff, private and public partners and beneficiaries, and the strengthening of dialogue between the beneficiaries and local government. Beneficiaries will be involved from the socio-economic diagnosis of their community, through the management of projects, to the elaboration of community development plans (PDCs). The programme will finance beneficiary productive initiatives through contractual arrangements clearly spelling out their rights and responsibilities. Beneficiaries will build their own credit and savings institutions through payment of shares. They will be represented on the main programme steering and consultative committees.



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TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE  
REPUBLIC OF HAITI  
FOR THE  
PRODUCTIVE INITIATIVES SUPPORT PROGRAMME IN RURAL AREAS**

I submit the following Report and Recommendation on a proposed loan to the Republic of Haiti for SDR 17.4 million (equivalent to approximately USD 21.7 million) on highly concessional terms to help finance the Productive Initiatives Support Programme in Rural Areas (PAIP). The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. This IFAD-initiated programme, which was designed under the Flexible Lending Mechanism (FLM), will be administered by the United Nations Office for Project Services (UNOPS) as IFAD's cooperating institution. The main focus and innovative features of the programme are its national scope in terms of rural development and poverty-reduction policy dialogue and institutional support, combined with field activities in the poorest areas of selected departments. Through a progressive and flexible implementation of its activities, the programme will test, extend and consolidate an effective participatory and demand-driven approach based on local rural productive initiatives, the establishment of a national fund for financing these initiatives and the development of proximity microfinance institutions in rural areas.

**PART I - THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and Agricultural Sector**

1. Haiti (28 000 km<sup>2</sup>) occupies the western third of the island of Hispaniola, which it shares with the Dominican Republic. It is located between the Caribbean Sea and the north Atlantic Ocean, and its territory is mainly mountainous (75% of its extent). The country is divided into nine departments, comprising 133 communes, each of which is further divided into sections. With a population estimated at 7.8 million (1999), an average population density of nearly 280 inhabitants/km<sup>2</sup> and a gross national product (GNP) per capita of USD 460 (1999), Haiti is one of the most densely populated and poorest countries in the western hemisphere.

2. Economic growth in 1996-2000 was insufficient to outpace annual population growth of about 2%. In 1999-2000, real GNP per capita was unchanged from its 1995-96 level and substantially below the level at the start of the decade. Agriculture remains the predominant sector in the economy, accounting for about 30% of the gross domestic product (GDP) and 70% of the labour force. Most of the crops, such as rice, maize, sorghum, millet and beans, are subsistence; coffee, generally produced on large farms, is the main export crop, followed by essential oils. Average farm size is less than 1 ha and, due to population pressure, marginal lands are cultivated, particularly steep slopes, accelerating deforestation and erosion. Productivity is low due to soil exhaustion and the use of farming techniques that are often detrimental to the environment. Small and microenterprises (SMEs), most of them related to agroprocessing, lack skills, modern technology and market intelligence. More generally, rural development is severely constrained by inadequate infrastructure, high transaction costs and difficult access to financial services.

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1 See Appendix I for additional information.



3. Key actors for programme implementation and the rural and finance sectors are: (i) the Fund for Economic and Social Assistance (FAES), a development finance autonomous agency created in 1991 under the Ministry of Economy and Finance (MEF). It plays an essential role in combating poverty through the financing of projects to improve living conditions of deprived populations in urban and rural areas and to increase their productive potential. Mainly funded by Inter-American Development Bank (IDB) and World Bank loans, it has demonstrated capacity to implement projects (about USD 55 million in the last five years) and manage external loans. Negotiations are on their way for new loans from these institutions as well as efforts to attract new donors, in particular the German Credit Institution for Reconstruction (KfW); (ii) grass-roots organizations (GROs) and professional associations as programme beneficiaries; (iii) private partners and non-governmental organizations (NGOs); (iv) communes, for their role in local development; (v) the following ministries at the central or local level: MEF, the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR), the Ministry of Planning and External Cooperation (MPCE); and (vi) the central bank (Bank of the Republic of Haiti – BRH), the banking system and microfinance institutions.

4. While poverty affects the whole country, it is accentuated in rural areas, where nearly 70% of the total population lives and average per capita income does not exceed USD 100 (compared to USD 250 for the country as a whole). Recent estimates indicate that 80% of the rural population lives below the poverty line. Living conditions in rural areas are particularly hard because of the absence of, or inadequate access to, essential public services (health, education and justice) and because of a lack of basic infrastructure (roads, electricity and telecommunication networks). Physical remoteness and political and social exclusion aggravate the poor living conditions in rural areas. The social indicators for Haiti are the lowest in the northern hemisphere: tuberculosis prevalence is high; malaria is endemic and 80% of the population is exposed; sexually-transmitted diseases are widespread, and the proportion of AIDS-infected people, in particular pregnant women, is increasing; and school enrolment in rural areas is very low (37%). In short, poverty is a mass phenomenon in Haiti, particularly in rural areas.

## **B. Lessons Learned from Previous IFAD Experience in Haiti**

5. **Operations.** Since 1978, IFAD has financed five projects in Haiti. Of these, three are closed: the Cul-de-Sac Irrigation and Agricultural Development Project (004-HA); the Northern Region Rural Development Project (126-HA); and the Food Crops Intensification Project (PICV) (088-HA). The Small-Scale Irrigation Schemes Rehabilitation Project (PPI) (241-HA) and the Food Crops Intensification Project, Phase II (PICV2) (496-HT) are ongoing.

6. **Lessons learned.** The main lessons from other IFAD projects and the national context can be summarized as follows: (i) *General.* Changes in economic policy (liberalization of activities and prices) and institutional framework (decentralization, redefinition of state functions at the central and local level) may positively affect local development under minimum political stability; (ii) *Grass-roots organizations and participation.* Project beneficiaries, particularly women, are fairly receptive to group participatory approaches, to the extent that transfer of responsibility to groups can be an explicit objective from inception. Training and functional literacy is essential for population involvement; (iii) *Financial services.* IFAD's previous operations – including credit delivery, directly or through public agents – failed in terms of recovery, meeting rural needs and sustainability. It is opportune to support proximity microfinance institutions, directly capitalized and managed by the beneficiaries; (iv) *Flexible programming.* The active participation of GROs at the local level requires progressive and flexible implementation of activities to adapt to their human and social level, as well as to the changing institutional and economic conditions. To favour a fully participatory process, a test phase is needed, followed by an extension phase and a consolidation phase; (v) *Production and marketing.* Increased income depends significantly on improvement of marketing processes and



reduction of transaction costs. This aspect should be central to development concepts; (vi) *Coordination and management*. Project coordination and management structure requires few, but highly qualified and motivated staff, with administrative and financial autonomy. It should concentrate on support to beneficiary initiatives, financial management and monitoring of activities, and contract field work to private and associative partners.

### C. IFAD's Strategy for Collaboration with Haiti

7. **National policy for poverty-eradication.** The government economic policy framework gives priority to combating poverty, providing basic health care, primary education, internal security and infrastructure maintenance. With the help of major donors, a poverty-reduction programme has been set up that includes: (i) large-scale employment-generation programmes; (ii) improvement of access to basic services; (iii) creation of assistance systems for the most vulnerable groups through NGOs; and (iv) development of participatory activities. IFAD-financed projects (PPI, PICV2) are part of this poverty-alleviation programme. In parallel, a process of administrative decentralization has been launched, with reallocation of powers and responsibilities among central, departmental and local governments.

8. **Poverty-eradication activities of other major donors.** In recent years, disbursement of development aid has been affected by factors such as poor public-sector managerial capacity, suspension of disbursements by donors, delay in ratification of external loans due to political deadlock, and postponement of disbursements after the disputed results of the May 2000 elections. In 1999, disbursement of official grants and loans amounted to about USD 360 million. Major bilateral donors, in order of importance, were the United States of America, Canada and France; major multilateral support came from IDB and the European Union (EU).

9. In addition to IDB/World Bank financing of FAES, the EU finances important programmes of road infrastructure, food security and regional development; the *Agence française de développement* (AFD) takes part in several infrastructure projects (in particular, PPI) and the German Agency for Technical Cooperation (GTZ) finances the strengthening of local capacities in Hinche and Saint Raphaël. With regard to the microfinance sector, there are several ongoing programmes financed by the United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP), United States Agency for International Development (USAID), Canadian International Development Agency (CIDA), EU and IFAD (PPI and PICV2 projects).

10. **IFAD's strategy for collaboration with Haiti.** Discussions led by MARNDR and IFAD, and involving other public institutions and international cooperation, culminated in a workshop on *New Dynamics of Rural Development in Haiti and Potential Role for IFAD*. As a result, IFAD strategy for the country (the Country Strategic Opportunities Paper – COSOP, October 1999) was redefined along three main axes: (i) at the government level, reinforcement of dialogue on rural development policies, governance and eradication of rural poverty; (ii) at the rural population level, while targeting the poorest, a focus on food-security enhancement and increased income through the creation of a suitable mechanism for financing productive initiatives in rural areas; and (iii) continuation of support to the small-scale irrigation subsector. The main elements of this strategy are: a participatory approach and strengthening of GROs; sustainable agricultural development and poverty reduction, with diversification of income sources; integration of gender approach; and targeting of the poorest areas and most deprived groups.

11. **Programme rationale.** The programme draws lessons from IFAD experience and falls within the Government's economic policy framework and IFAD's country strategy for rural poverty eradication. At the national level, a financial mechanism will be established in order to combine dialogue on policy, institutional and organizational aspects with a field approach. The programme will



follow a participatory approach, consisting of the elaboration by the population themselves of community development plans (PDCs) so as to identify productive microprojects. Its activities will be implemented in partnership with communities and GROs, and with progressive transfer of responsibility, in particular in contracting support services.

12. **Flexible Lending Mechanism.** Programme implementation will be based on the FLM, allowing testing and adaptation of approaches and methodologies. It will respond to beneficiaries' demand and ensure their full participation and responsibility in the conception and operation of activities. Project duration will be of ten years, divided into three phases: (i) a first phase of three years to test programme strategy, in particular the methodology for the elaboration of PDCs and support to microprojects; (ii) a second phase of four years for extension of activities; and (iii) a third phase of three years, for consolidation and emancipation of supported communities, GROs and microfinance institutions (MFIs).

## **PART II – THE PROGRAMME**

### **A. Programme Area and Target Group**

13. **Programme area.** The programme has a national scope in terms of policy and institutional dialogue with the Government, but it will focus its interventions in a few departments in the rural areas of some sections and communes. These areas will be chosen according to criteria such as: poverty profile, presence of dynamic GROs and local service providers and partners for implementation support, as well as complementarity and synergy with other projects implemented by FAES and/or financed by IFAD and other donors. The geographic rate of expansion will be reviewed continuously, taking into consideration the results and impacts achieved, and service-provider and FAES delivery capacity. The departments of the northwest, northeast and centre (northern part) and catchments of small-scale irrigation schemes rehabilitated by PPI have been proposed for the first phase of the programme. Once the sections and communes of these departments are selected, and in the case of any further geographical expansion, a written agreement will be drawn up between FAES and IFAD.

14. **Target group.** The target group is the rural poor, with focus on the most deprived groups (landless or almost landless peasants, women, young people) and the most remote areas. Women, who account for more than 65% of the active population and head about 30% of farms, will be given special attention, as they suffer more than men from the poor living conditions in rural areas. Their multiple activities, petty trading, agriculture and handicrafts face many factors limiting their efficiency, such as insecurity of tenure and lack of access to training, information, suitable technologies and credit. Microentrepreneurs, whose operations are heavily constrained by technical or financial problems, will also be targeted. The programme will support the producers associated with GROs, women's groups, and rural MFIs. In addition, local governments and concerned ministries (MEF, MARNDR and MPCE) will benefit from PAIP in the strengthening of their capacity to design rural development and poverty-eradication policies and then implement them at the local level.

### **B. Objectives and Scope**

15. The programme goal is to contribute to rural poverty reduction through sustainable increases in incomes and enhancement of food security at the household level, particularly among the poorest, and sustainable management of natural resources. Specific programme objectives are to: (i) strengthen local and national capacities for grass-roots-level planning, social and economic development management, microproject conception and implementation; and absorption of rural financing;



(ii) support productive initiatives identified and prioritized by the communities, as well as cross-sectoral activities adding value to these initiatives through reduction of commercial transaction costs, better access to market information, appropriate technologies and promotion of the development of rural microenterprises; and (iii) facilitate sustainable access to financial services for poor rural households, particularly women, the landless and young people.

### C. Components

16. The programme will have four components: (i) strengthening of local capacities; (ii) support to productive initiatives; (iii) support to rural MFIs; and (iv) programme coordination and management. The programme will be implemented over a period of ten years.

17. **Strengthening of local capacities.** This component aims at enhancing the planning, management and negotiating skills of GROs as well as the main local actors, both public and private, so as to create favourable conditions for local rural development on a fully participatory basis in general, and income generation for the target group in particular, thus initiating a more sustainable and self-managed development process for rural communities.

18. To this end, activities will include: (i) *strengthening of management capacities for local and rural development* by supporting diagnosis at the department level, based on knowledge of local experts (representatives of GROs, NGOs, public services, etc.) and cross-sectoral studies on poverty, gender and targeting; sensitizing, informing and strengthening the capacity of local, elected representatives of sections and communes about and for the PAIP participatory approach, local planning, project management and strengthening of GRO managerial capacity; establishment of dialogue forums at both the department and commune level, and organization of yearly monitoring and evaluation workshops with beneficiary communities; national workshops on rural development topics, such as: participatory planning and local development, decentralization, gender approach, rural microenterprise, rural microfinance, etc.; study tours and exchange of experience at national, regional and international levels; (ii) *sensitization, information/communication, participatory planning and animation* for the rural population and development agents in each community targeted, including transfer of information through commune councils and schools; motivation of communities; support to communities in the preparation of PDCs by the villagers. Each PDC will cover a homogeneous socio-territorial unit (the community) and documents will be written in Creole for use by the communities and reviewed by communal consultation forums. Based on forum recommendations, final responsibility for PDC approval will remain in the hands of the regional office of FAES; training activities on programme approach and methodology for local teams; and international and national assistance for implementation support; (iii) *functional literacy* is a prerequisite to strengthening communities' technical and managerial capacity and should take precedence over other capacity-building activities of communities or groups. PAIP will ensure that functional activities carried out by the Government and other projects will benefit its target group and, if needed, promote decentralized and sustainable approaches, such as training of community teachers, supervised by functional literacy specialists; and (iv) *strengthening of GROs* through a review of existing organizations at start-up in each area of intervention; surveys of capacity-building needs of GROs; and study tours and training of eligible GROs on the basis of a request to PAIP. Training will focus primarily on planning, conflict management and communication skills; accounting and financial management; and technical themes, including basic health and nutrition and AIDs information from specialized institutions.

19. **Support to productive initiatives.** The overall objective of the component is to support productive initiatives identified and selected by the beneficiaries, in the framework of participatory diagnosis and planning (DPP) and PDCs, thus contributing to self-development of rural communities. To this end, PAIP will set up participatory and decentralized mechanisms for the selection, approval and cofinancing of productive microprojects through matching grants, and support microproject



implementation through horizontal activities (technology transfer, technical and marketing support and applied research).

20. Two main group of activities are foreseen under this component: (i) *Financing of local productive initiatives*, including pre-investment studies of microprojects, comprehensive analysis of beneficiary and partner commitments, scheduling of works and budget before their presentation for PAIP financing; microproject financing, including technical support during implementation (training and monitoring); and ex-post evaluation of microproject impact. Eligible microprojects will contribute to increasing and diversifying production and incomes, preserving or restoring the production base, and combating desertification, and may be classified as follows: productive infrastructure at the municipality and communal section levels and collective projects at the community level promoted by GROs with medium- to long-term profitability. Projects with short-term profitability (trade, microenterprises, etc.) will be financed by MFIs and will not be eligible for matching grants. Social projects (schools, health centres, etc.) included in PDCs will be financed by the social element of FAES. Beneficiary participation will cover 10-50% of the eligible microproject costs in the form of labour, construction materials or cash, or a combination. Depending on project costs and profitability, the average contribution is expected to be 20%. This will ensure a true commitment of the microproject promoters and sounder resource allocation and management of investments. The procedures for microproject selection, financing and disbursement will be transparent, with clearly established eligibility and exclusion criteria, and will be detailed in the PAIP operational manual; and (ii) *Cross-sectoral and support activities*, including marketing support activities such as surveys for production diversification, linkage of producer groups with wholesalers and exporters, market data collection and dissemination through radio broadcasts, etc; technology transfer activities such as feasibility studies of catchment and irrigation schemes, review and promotion of existing technologies suitable for small producers, and action research activities related to the financed microprojects (on-farm trials and demonstrations); support to rural microenterprise activities, including vocational training, mobile training workshops, business planning, and facilitation of access of microenterprises to capital resources from MFIs and banks; and support during implementation.

21. **Support to rural microfinance.** The overall objective of the component is to facilitate sustainable access of the target group to financial services (savings, credit and microinsurance) suitable to their needs. Different departments or areas will be targeted on a progressive basis, based on the priorities established from market surveys.

22. The main elements of the proposed strategy and activities are as follows: (i) *Strategic and marketing studies*: market surveys to analyse the present impact of existing financial services (formal and informal), capacity for savings mobilization, credit and insurance service needs, as well as the potential market niche and opportunities for creating new MFIs (proximity village banks); studies to determine the most suitable locations for new MFIs; audit of about 100 existing MFIs to select the ones to be supported by PAIP; (ii) *Support to the creation of new MFIs*. Priority will be given to the establishment of new MFIs in areas where the target group has little or no access to financial services. These will be proximity banks, self-managed and capitalized by villagers, with procedures, products and access costs geared to target the entire community, including the poorest. The programme will support office construction, purchase of small equipment (safe, furniture), initial working capital and technical assistance. It will also establish an Equity Fund to increase the capital of MFIs assisted, which will indirectly support the setting up of a federation of MFIs; (iii) *Strengthening of existing MFIs*. The programme will strengthen existing MFIs, subject to their meeting established performance criteria, with revision of by-laws, amelioration of accounting and management procedures, training, supply of small equipment, participatory marketing, audit, linking with the formal financial sector, etc; (iv) *Strengthening of specialized service providers*. There are two levels of intervention of specialized service providers: (a) proximity operators in charge of external control and training of MFIs; and (b) a national operator responsible for the training of trainers, auditing participating MFIs and proximity operators, setting up accounting and management procedures, and



developing and maintaining databases on MFI performance, achievements, etc. These service providers, together with supervisory authorities, will receive international assistance support and training, as well as an initial contribution to their equipment and operation costs; (v) *Institutional support to supervisory authorities (MEF and BRH)*. Training and exchanges of experience; support in the preparation of a suitable legal and regulatory framework for microfinance; establishment of an efficient information system linking programme-supported MFIs with MEF and BRH, through the strengthening of specialized service providers in the monitoring of MFI activities and the development of databases; and (vi) *Coordination*. A microfinance specialist will supervise the implementation of this component.

23. **Programme coordination and management.** The purpose is to ensure sound coordination and management of programme activities and resources by the executing agency (FAES). The main activities are: (i) *Setting up an Economic Initiatives Unit (UIE)*. This new unit, directly attached to the FAES general directorate, will consist of a core team of four professionals. It will be responsible for PAIP activity coordination and management; (ii) *Support to PAIP financial and management control, monitoring and evaluation*. The financial and management control will be assumed by the FAES Finance and Administration Directorate. The monitoring and evaluation (M&E) system will be adapted to PAIP needs. Additionally, three nutritional surveys (at beginning, mid-term and end) and two reviews (end of each phase) will be carried out; and (iii) *FAES regional sub-branches*. PAIP will support the establishment of up to five regional sub-branches of FAES in departments, with recruitment of core staff and contribution to office expenditures. These sub-branches will strengthen FAES capacity for quicker response to rural community demands, improve field-activities supervision and ensure full participation of the target group.

#### **D. Costs and Financing**

24. Total programme costs, including contingencies (17% of base costs), are estimated at USD 28.1 million over a ten-year period, of which IFAD will provide a loan of USD 21.7 million (77%), the Government of Haiti will contribute USD 2.1 million (8%) and beneficiaries USD 4.3 million (15%). The foreign exchange component will account for 15% of total costs. The three-year first-phase costs will amount to USD 5.2 million (18% of the total).

**TABLE 1: SUMMARY OF PROGRAMME COSTS<sup>a</sup>**  
(USD '000)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
A. Strengthening of local capacities	2 561	354	2 915	12	12
B. Support to productive initiatives	11 612	1 330	12 942	10	54
C. Support to rural microfinance	3 608	1 160	4 768	24	20
D. Programme coordination and management	2 610	901	3 512	26	15
<b>Total base costs</b>	<b>20 391</b>	<b>3 746</b>	<b>24 136</b>	<b>16</b>	<b>100</b>
Physical contingencies	-	-	-	-	-
Price contingencies	3 447	570	4 017	14	17
<b>Total programme costs</b>	<b>23 837</b>	<b>4 316</b>	<b>28 153</b>	<b>15</b>	<b>117</b>

<sup>a</sup>Discrepancies in totals are due to rounding.

**TABLE 2: FINANCING PLAN<sup>a</sup>**  
(USD '000)

Components	IFAD		FAES		Beneficiaries		Government		Total		Foreign Exchange	Local (excl. taxes)	Duties and taxes
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%			
A. Strengthening of local capacities	2 786	81.9	337	9.9	67	2.0	214	6.3	3 404	12.1	405	2 785	214
B. Support to productive initiatives	10 394	68.1	—	—	4 160	27.2	711	4.7	15 265	54.2	1 550	13 004	711
C. Support to rural microfinance	4 870	90.2	—	—	116	2.1	415	7.7	5 402	19.2	1 333	3 654	415
D. Programme coordination and management	3 644	89.2	—	—	—	—	439	10.8	4 083	14.5	1 028	2 616	439
<b>Total disbursement</b>	<b>21 695</b>	<b>77.1</b>	<b>337</b>	<b>1.2</b>	<b>4 342</b>	<b>15.4</b>	<b>1 779</b>	<b>6.3</b>	<b>28 153</b>	<b>100.0</b>	<b>4 316</b>	<b>22 058</b>	<b>1 779</b>

<sup>a</sup>Discrepancies in totals are due to rounding.





## E. Procurement, Disbursement, Accounts and Audit

25. **Procurement.** Procurement of goods and works will be made in accordance with the Fund's guidelines. Consultant services (technical assistance for microprojects and contracts with service providers) will be recruited in accordance with the cooperating institution's procurement guidelines. To the extent possible, purchase of vehicles and equipment will be done in bulk to obtain better prices. Civil works will preferably be carried out by local SMEs and artisans applying the FAES administrative, accounting and financial manual, as revised and approved by IFAD. Vehicles, goods and equipment items estimated to cost USD 50 000 equivalent or more will be procured through national competitive bidding, in accordance with procedures acceptable to the cooperating institution and IFAD. Vehicles estimated to cost less than USD 50 000 equivalent will be procured under local shopping procedures, with at least three quotations, and in accordance with procedures approved by the cooperating institution and acceptable to IFAD. Local shopping procedures with at least three quotations, will also apply to goods and equipment estimated to cost USD 5 000 equivalent but less than USD 50 000 equivalent, in accordance with procedures approved by the cooperating institution and acceptable to IFAD. For items of less than USD 5 000 equivalent, direct purchase will be made in accordance with modalities and conditions approved by the cooperating institution.

26. All service providers will be hired through national competitive bidding procedures or limited competitive bidding after selection of potential partners through pre-qualification procedures advertised by thematic areas at the national level.

27. **Disbursement.** A special account in USD will be opened by the borrower at BRH or in a commercial bank in Port-au-Prince, on terms and conditions satisfactory to IFAD. It will be operated with the signatures of both the general director and the financial and administration director of FAES. The authorized amount will be USD 1.2 million. After loan effectiveness and on the basis of a request by the borrower, an amount of USD 600 000 will be deposited by IFAD in the special account. This amount will be increased by up to USD 600 000 once the review of the first phase has been approved by IFAD. The borrower will also open a programme account in a commercial bank or any other bank acceptable to IFAD, in Haitian gourdes, to receive counterpart funds. The borrower will deposit the equivalent to USD 100 000 as a condition for loan effectiveness.

28. **Accounts and auditing.** Programme financial monitoring will draw on state-of-the-art accounting procedures and on a modern internal management and financial control system, under the responsibility of the Financial and Administrative Directorate of FAES. Revision of the existing FAES accounting procedures and computerized management and financial control systems will be ensured during start-up activities. A specialized national firm will also assist FAES on these issues during implementation. Programme accounts and management will be subject to annual audits by a reputable independent audit firm acceptable to IFAD and selected through international competitive bidding. Annual audits will review and verify: (i) PAIP accounts and financial statements; (ii) accounting, administrative, financial and internal management control procedures; and (iii) withdrawal applications, reimbursement of funds, demands and replenishment requests. The audit report will include separate opinions on statements of expenditures (SOEs), procurement arrangements made, and operations of the special account and the programme accounts. Opinions and advice on overall programme management and internal financial and management control systems will be detailed in a separate letter to FAES management. Audit reports will be submitted to IFAD not later than six months after the end of the fiscal year.



## F. Organization and Management

29. **Executing agency.** FAES will be the executive agency of the programme. For this purpose, a UIE will be established at FAES headquarters in Port-au-Prince. This unit will be responsible for the coordination and management of PAIP as well as other programmes, under PAIP responsibility. It will be directly attached to the FAES general manager and work in close collaboration with other directorates and regional sub-branches. UIE will consist of a limited number of highly qualified staff, notably the coordinator of the programme, UIE manager, three professionals to support the implementation of each component, an M&E officer and service staff.

30. **Regional sub-branches.** The creation of regional sub-branches is part of the decentralization of FAES, as is the transfer of competence for decision-making from headquarters to the departmental level. The creation of these sub-branches will facilitate exchanges between headquarters and the GROs and communities supported. Sub-branches will participate in sensitization and information campaigns; control field activities by contracted partners; supervise and support community and GRO agents; approve microproject financing within the limits established by the operations manual; supervise the elaboration and implementation of PDCs/microprojects; and participate in participatory evaluation sessions and forums at the commune and department level. To carry out these activities, two professionals will be recruited for each sub-branch.

31. **FAES Administration Board.** This will be the highest programme authority, responsible for decisions concerning staffing, approval of the operations manual, the annual work programme and budget, microprojects financing, M&E aspects, etc. The Minister for Agriculture will be invited to the Administration Board whenever PAIP matters are to be discussed.

32. **Technical committees.** These committees, chaired by FAES, will advise the FAES Administration Board and general manager. The technical committee for productive projects will address the areas of local capacity-strengthening, participatory approaches and support to microprojects. It will consist of representatives of relevant ministries (MARNDP, MDE, MPCE), GROs, NGOs and other projects in the same field. The technical committee for microfinance will follow up on the operations of the microfinance component. It will consist of representatives of supervisory and regulatory bodies (MEF, BRH), the association of commercial banks, and MFIs to be promoted by the programme and their professional association.

33. **Forum of donors, the Government and beneficiaries.** FAES will ensure a close dialogue between donors supporting FAES, the Government and beneficiaries through the organization of annual meetings and an internet site and electronic dialogue forum. The main scope is to: (i) ensure coherence of approaches and activities of the projects executed by FAES, with regard to participatory planning, group and community capacity-building, modalities and eligibility criteria for support to productive initiatives; (ii) enhance synergy and complementarity among donors, for both geographical and thematic issues; (iii) scrutinize M&E procedures with particular attention to impact evaluation; and (iv) harmonize financial management and internal control and reporting procedures of the various projects executed by FAES.

## G. Economic Justification

34. The combination of GRO and community capacity-building – together with the promotion of a network of MFIs in rural areas and support to the productive initiatives of communities, microenterprises and marketing activities – will create a dynamic environment for productive activities, currently stagnating because of high transaction costs as a result of difficult access to markets, financial services, technology and information. The emergence of self-managed – and well-managed – rural GROs dealing with economic activities, the promotion of microenterprise, the



delivery of proximity financial services and community-managed productive infrastructures (water points, irrigation schemes, hill dams, etc.) will allow accumulation and redistribution of incomes at the village level, providing the foundations for initiation of sustainable and self-sustained development in targeted communities.

35. The programme's economic benefits and impacts will be: (i) reduction of commercial transaction costs (particularly due to facilitated access to financial services and commercial information); (ii) increase in and diversification of the agricultural sector; (iii) improvement of the nutritional and food-security status of households; (iv) increased investment capacities of villagers through a greater value-added retained at the local level; (v) better access to information, training and adapted technologies, in particular for poorer groups; (vi) enhanced negotiation capacity of producers; (vii) an improved situation for women and an increase in their participation in local development and GRO management; (viii) reduced degradation of the natural resource base; and (ix) increased literacy and health standards, enhancing receptivity to technical innovations and saving work days.

36. Over its ten-year life, the programme could affect more than 100 of the poorest commune sections and about 600 communities, with a total population estimated at 500 000. Approximately 1 800 local representatives will have received training in the participatory approach and in management of local development. Each targeted community will have received specific training in basic health and nutrition topics and will have its internal facilitator and community literacy trainer, both able to pursue capacity-building and sensitization activities independently. About 50 000 additional people will be able to read, write and count. At least 600 GROs will have been strengthened through direct training of about 2 000 members, thus indirectly concerning at least 20 000 members. The 100 new MFIs created and the 50 existing ones reinforced imply diffusion to at least 40 000 members (of which at least 30% will be women); all will have access to savings and to small, short-term credit for urgent needs and/or commercial opportunities; approximately a third will have access to short-term productive credit; and a tenth to medium-term credit granted directly by MFIs and/or banking institutions. National institutions supporting the development of MFIs will be financed by the MFIs themselves; and second-level representative organizations (federations, MFI networks, etc.) will have been established in a self-sustaining manner.

37. Given that this is an FLM programme that will adopt a demand-driven approach, it is impossible to predict with precision the scope, quantities, costs and benefits of PAIP activities. Thus it is unrealistic to carry out an economic analysis or forecast the total production and income increase following PAIP intervention.

## H. Risks

38. The main risks include: (i) the difficulties in implementing a fully participatory approach – characterized by a bottom-up programming process and beneficiary responsibility – which requires time and experience. This is not always consistent with the pressure towards rapid disbursement and the need to show tangible, rapid results. The specialized operators and consultants supporting PDC formulation will have a critical role in helping FAES find the right balance between these various requirements. Any participatory approach also calls for great flexibility in the annual programming and budget allocation; (ii) several diagnostic assessments for PDCs might be formulated in the same commune or community, reflecting the multiplicity of projects that could develop following a more-or-less marked participatory approach. Coordination between the various projects and donors is critical and will be ensured through the departmental and communal forums to be established through PAIP; (iii) possible lack of qualifications in service providers and partner operators for implementing PAIP activities: emphasis will be given to selection of these partners through competitive processes founded on pre-qualification screenings, as well as to close follow-up of their day-to-day activities in the field by FAES, thanks to a powerful M&E system and the establishment of FAES sub-branches in



the departments and regions; (iv) possible conflicts between local authorities and GROs and communities could delay attaining consensus when elaborating PDCs and prioritizing microprojects, or eventually lead to the capture of the programme's benefits by some better-off groups; and (v) inadequate takeover and maintenance of investments by their promoters if communities are not sufficiently involved in PDC/microproject formulation.

### **I. Environmental Impact**

39. Insofar as the programme investments will concern a variety of activities, it is difficult to evaluate their environmental impact *a priori*. Consequently, all microprojects will be subject to a simplified environmental impact screening, taking into account the low unit costs and dimension of the majority of the microprojects envisaged. In any case, a positive environmental impact will constitute an eligibility criterion for financing. According to a review of the most-probable fields of intervention, most PAIP activities should have positive impacts on the environment: (I) microprojects related to land management and soil and water conservation will contribute to limiting desertification; (ii) support to agricultural marketing will provide better value from the existing and additional production, thus reducing pressure on the natural resource base; (iii) irrigation improvement will generally relate to land already being cropped; (iv) productivity enhancement will mainly be achieved through better fertility restitution to soils (use of manure, organic fertilizers and environment-friendly cropping practices) rather than exclusive use of chemical fertilizers (which are in any event too expensive and risky for the small-farming sector); (v) biological production and better agronomy-livestock integration will be encouraged; (vi) civil works (culverts, small tracks) that could have a negative impact in term of deforestation and erosion will be very localized and small in scale; and (vii) for the few infrastructure developments potentially producing waste water (market places, etc.), sanitation facilities will be included. Thus the programme has been classified as Category B.

### **J. Innovative Features**

40. The programme has adopted a number of innovative features: (i) a truly participatory and demand-driven approach with implementation depending on beneficiary priorities rather than on pre-set physical targets and localization. Participation will be ensured through all programme phases, from constraints and potentials analysis (DPP) and PDC/microproject formulation, to PDC/microproject implementation, follow up and evaluation; (ii) establishment of a national financial mechanism (for productive initiatives in rural areas) with clear legal status, financial and administrative autonomy, and ability to reinforce the dialogue with the Government and the synergy and partnership with other donors; (iii) an FLM of long duration, allowing progressive extension of activities on a solid basis, after an initial phase dedicated to testing and fine-tuning the mechanisms for effective participation; (iv) a strong capacity-building component (including functional literacy), the agenda of which will be defined with the recipients; (v) systematically signing tripartite contracts (with the programme, the beneficiaries and the service provider) for microproject implementation; (vi) promoting the development of proximity MFIs in rural areas, created and managed by villagers and open to the poorest; and (vii) strengthening dialogue among local actors (civil society, GROs, locally elected representatives) regarding concrete actions, through organizing dialogue forums at departmental and communal levels.



### **PART III - LEGAL INSTRUMENTS AND AUTHORITY**

41. A loan agreement between the Republic of Haiti and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.
42. The Republic of Haiti is empowered under its laws to borrow from IFAD.
43. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

### **PART IV – RECOMMENDATION**

44. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Haiti in various currencies in an amount equivalent to seventeen million four hundred thousand Special Drawing Rights (SDR 17 400 000) to mature on and prior to 15 December 2041 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President





## **SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED LOAN AGREEMENT**

(Loan negotiations concluded on 12 April 2002)

1. The Government of the Republic of Haiti (the Government) will make the proceeds of the loan available to FAES (“the lead programme agency”), as called for in the annual work programme and budget (AWP/B) and in accordance with customary national procedures for development assistance.
2. For the purpose of financing programme operations, the lead programme agency will open and maintain in a commercial bank in Port-au-Prince, or in another banking establishment acceptable to IFAD, a current account (programme account) denominated in Haitian gourdes. The programme coordinator will be responsible for managing the programme account. The finance and administration director and the director-general of FAES will be authorized to draw on the programme account, subject to the double-signature principle.
3. Apart from the proceeds of the loan, the Government will, as necessary, make available to the programme parties all funds, facilities, services and other resources required for implementing the programme. The Government will make an initial deposit of counterpart funds into the programme account in Haitian gourdes equivalent to USD 100 000 to cover expenses during the first year of programme implementation, and will replenish the programme account in advance on a six-monthly basis by depositing into it the counterpart funds called for in the AWP/B for the relevant programme year. The programme will be registered under the consolidated public investment budget.
4. The lead programme agency will transfer funds and other resources to the programme parties, as called for under the AWP/B, with a view to implementing the component relating to support for financial institutions in rural areas. Subsidiary agreements will be signed between the programme, the financial institutions and associations legally constituted in accordance with applicable national legislation, as set forth in the provisions and model agreement contained in the programme operations manual approved by IFAD.
5. The programme will be based on a flexible lending mechanism responding to the demands of beneficiaries and their GROs. Programme duration will be ten years, divided into three phases: (i) a first phase of three years to test both the overall programme implementation strategy and the methodology for developing PDCs and executing microprojects; (ii) a second phase of four years during which programme activities will be expanded; and (iii) a third phase of three years for the consolidation and disengagement of the programme.
6. The Government undertakes to carry out (or arrange for) two end-of-phase reviews: one at the end of the third year of programme implementation; and one at the end of the seventh year of implementation.
7. The Government will take due care to ensure that the lead programme agency assumes responsibility for internal monitoring. The objective of that function, which will be of a permanent, ongoing nature, is to monitor the implementation of the activities of the programme. The beneficiaries (communities, GROs and MFIs and the partner operators/service providers involved in their training, will provide regular accounts of their activities to the regional sub-branches and the economic initiatives unit (EIU) by means of progress reports, the main elements of which will be stipulated in the contracts signed between the operators and the programme. The use of methodological tools and monitoring cards will be ensured by EIU, with the support of other FAES directorates. The monitoring cards are to be completed on a monthly basis, whereas the progress reports are to be submitted every three months. The monitoring of programme management calls for closer



communication, which will be accomplished by means of: (i) weekly meetings between EIU and FAES staff involved in the programme; and (ii) monthly meetings attended by the heads of the regional sub-branches and principal operators. In close cooperation with the programme coordinator, the programme officer responsible for M&E will be expected to produce monthly, three-monthly and yearly reports to provide the basis for annual reports on programme activities. The latter officer will work within the M&E directorate of FAES. M&E of the programme will be based on ongoing internal monitoring and periodic internal/external evaluation.

8. Staff of FAES (from the sub-branches and directorates) will undertake internal evaluations based on participatory methods; external evaluations will be contracted out to consultants and competent national consulting firms. Such evaluations will be carried out periodically, usually in the form of studies, thematic surveys and yearly participatory M&E workshops. Internal and external evaluations will be submitted for review by the specialized technical committees, donors, the cooperating institution and IFAD.

9. In accordance with customary national procedures for development assistance, the Government undertakes to pay directly to the suppliers concerned all taxes, dues and customs duties on imported items, on goods and services procured by the programme and on civil works financed by the loan.

10. Should the Government be unable to provide timely audit reports and should IFAD, in consultation with the Government, consider that the reports will be delayed beyond a reasonable period of time, IFAD – or the cooperating institution acting on IFAD’s behalf – will select independent auditors to audit the programme accounts. To that end, the Government and the parties to the programme will immediately place at the disposal of the auditors all financial and other documents so requested and grant them all rights and privileges as agents of IFAD, and will cooperate fully in such audit. Once completed, IFAD will make the audit report available to the Government, which will authorize IFAD to deduct the cost of the audit from the loan account.

11. As part of maintaining sound environmental practices, the Government will maintain appropriate pesticide management practices under the project. To that end, the Government will ensure that pesticides procured under the project do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations, as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the World Health Organization’s Recommended Classification of Pesticides by Hazard and Guidelines to Classification 1996-97, as amended from time to time.

12. The Government undertakes to inform IFAD in writing without delay with regard to any proposed changes in the mandate, structure, functions and operations of FAES, it being understood that any such changes may lead to modification of the loan documents or to cancellation of the loan.

13. The Government will ensure that the lead programme agency insures all programme personnel against health and accident risks, in accordance with applicable national legislation.

14. The Government will ensure that the lead programme agency undertakes to give favourable consideration to women candidates for positions under the programme.

15. Social and economic relations between women and men, and women’s participation in decisions on matters pertaining to development activities and rural financing, will be assured at all stages of programme management and decision-making. In order to avoid any exclusion of women, appropriate criteria will be drawn up to ensure that women participate in setting priorities for microprojects at the local level and that they have full access to programme loans. Each party to the





programme will ensure that women participate in all programme activities and that they derive appropriate benefits therefrom.

16. Through the lead programme agency, the Government will prepare a programme operations manual containing the modalities for programme implementation, particularly with regard to:

- (a) procedures and stages for implementing the participatory approach and community development for preparing PDCs and identifying microprojects prioritized by village communities and GROs;
- (b) implementation and modalities for financing microprojects, including, in particular, eligibility criteria, disbursement procedures and a model tripartite agreement for signature by the communities, beneficiary GROs and the programme;
- (c) preparation of a procedural manual and training guides for the establishment of new MFIs, including, in particular, a model subsidiary agreement between the MFIs and the programme.

17. Prior to becoming operational, the programme operations manual will be forwarded to IFAD for comment and approval. Once approved, the manual will provide the basis for programme implementation. To that end, the Government undertakes to comply with the conditions of the programme operations manual and to ensure that the different actors involved in programme implementation comply with such conditions.

18. The Government will ensure that the lead programme agency: (i) ensures consistency and complementarity between its own administrative, accounting and financial manual and the programme operations manual; (ii) revises the aforementioned administrative, accounting and financial manual in order that it reflects the distinctive features of the programme; and (iii) sets up a system for internal monitoring and for internal/external evaluation of the programme.

19. Any appointment or replacements of staff (coordinator, programme support staff, M&E field officer) are subject to prior approval by IFAD. In accordance with the current procedures of FAES, staff will be recruited on the basis of competitive procedures following advertisement of vacancies in the national press. All contracts will be for a maximum duration of one or two years, and renewable subject to satisfactory performance. The recruitment and management of support staff will follow FAES procedures. In the case of government staff selected to work on the programme, the aforementioned staff will ensure that a leave is obtained to cover the duration of their work with the programme.

20. The following are specified as conditions precedent to disbursement of the proceeds of the loan:

- (a) No withdrawals may be made in respect of any disbursement category until such time as the programme operations manual has been finalized.
- (b) No withdrawals may be made in respect of disbursement category XI until such time as the conditions (triggers) for proceeding from Phase I to Phase II have been met to the satisfaction of IFAD.
- (c) No withdrawals may be made in respect of disbursement category XII until such time as the triggers for proceeding from Phase II to Phase III have been met to the satisfaction of IFAD.



21. The following are specified as conditions precedent to the effectiveness of the loan agreement:
- (a) EIU will have been set up and the coordinator will have been selected to the satisfaction of IFAD, in accordance with the provisions of the loan agreement.
  - (b) The programme account will have been opened.
  - (c) Counterpart funds for the first year of programme operations will have been deposited into the programme account.
  - (d) The lead programme agency's administrative, accounting and financial manual will have been revised to the satisfaction of IFAD.
  - (e) The Government will have delivered a favourable legal opinion, issued by a competent authority within the Republic of Haiti and acceptable to the Fund in both form and substance.
22. IFAD reserves the right to suspend all or part of the Government's authority to request withdrawals from the loan account, especially in the event that:
- (a) Recommendations emanating from the end-of-phase reviews foreseen in the loan agreement are not acted upon within the deadline established or to the satisfaction of IFAD.
  - (b) The plan of action set forth in the loan agreement:
    - (i) has not been approved by IFAD;
    - (ii) has not been drafted and submitted to IFAD for approval within the deadline established;
    - (iii) has not been implemented to the satisfaction of IFAD;
    - (iv) has not been implemented within the deadline established.
  - (c) The operations manual or any provision thereof has been suspended or revoked, in entirety or in part, or has been the subject of a waiver or any other modification without the prior consent of IFAD. Such events will be considered by the Fund to have seriously prejudiced, or risk seriously prejudicing, programme implementation.

## COUNTRY DATA

## HAITI

<b>Land area (km<sup>2</sup> thousand) 2000<sup>(1)</sup></b>	28	<b>GNI per capita (USD) 2000<sup>(1)</sup></b>	510
<b>Total population (million) 2000<sup>(1)</sup></b>	8.0	<b>GNP per capita growth (annual %) 2000<sup>(1)</sup></b>	1.7 <sup>(a)</sup>
<b>Population density (people per km<sup>2</sup>) 2000<sup>(1)</sup></b>	289	<b>Inflation, consumer prices (annual %) 2000<sup>(1)</sup></b>	13.7
<b>Local currency</b>	Haitian gourde (HTG)	<b>Exchange rate: USD 1.00 =</b>	HTG 26
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (av. annual population growth rate) 1980-99 <sup>(2)</sup>	2.0	GDP (USD million) 2000 <sup>(1)</sup>	3 826
Crude birth rate (per thousand people) 2000 <sup>(1)</sup>	31 <sup>(a)</sup>	Average annual rate of growth of GDP <sup>(2)</sup>	
Crude death rate (per thousand people) 2000 <sup>(1)</sup>	13 <sup>(a)</sup>	1980-90	0.0
Infant mortality rate (per thousand live births) 2000 <sup>(1)</sup>	70 <sup>(a)</sup>	1990-99	-1.3
Life expectancy at birth (years) 2000 <sup>(1)</sup>	53 <sup>(a)</sup>	Sectoral distribution of GDP 2000 <sup>(1)</sup>	
Number of rural poor (million) (approximate) <sup>(1)</sup>	3.4	% agriculture	30 <sup>(a)</sup>
Poor as % of total rural population <sup>(2)</sup>	66	% industry	20 <sup>(a)</sup>
Total labour force (million) 2000 <sup>(1)</sup>	3.5	of which % manufacturing	7 <sup>(a)</sup>
Female labour force as % of total 2000 <sup>(1)</sup>	43	% services	50 <sup>(a)</sup>
<b>Education</b>		Consumption 2000 <sup>(1)</sup>	
School enrolment, primary (% gross) 2000 <sup>(1)</sup>	n.a.	General government final consumption expenditure (as % of GDP)	7 <sup>(a)</sup>
Adult illiteracy rate (% age 15 and above) 2000 <sup>(1)</sup>	50	Household final consumption expenditure, etc. (as % of GDP)	100 <sup>(a)</sup>
<b>Nutrition</b>		Gross domestic savings (as % of GDP)	-7 <sup>(a)</sup>
Daily calorie supply per capita, 1997 <sup>(3)</sup>	1 869	<b>Balance of Payments (USD million)</b>	
Malnutrition prevalence, height for age (% of children under 5) 2000 <sup>(1)</sup>	n.a.	Merchandise exports 2000 <sup>(1)</sup>	170
Malnutrition prevalence, weight for age (% of children under 5) 2000 <sup>(1)</sup>	n.a.	Merchandise imports 2000 <sup>(1)</sup>	1 130
<b>Health</b>		Balance of merchandise trade	-960
Health expenditure, total (as % of GDP) 2000 <sup>(1)</sup>	4.2	Current account balances (USD million)	
Physicians (per thousand people) 1999 <sup>(1)</sup>	0.07	before official transfers 1999 <sup>(1)</sup>	-261 <sup>(a)</sup>
Population without access to safe water (%) 1990-98 <sup>(3)</sup>	63	after official transfers 1999 (1)	-38 <sup>(a)</sup>
Population without access to health services (%) 1981-93 <sup>(3)</sup>	55	Foreign direct investment, net 1999 <sup>(1)</sup>	n.a.
Population without access to sanitation (%) 1990-98 <sup>(3)</sup>	75	<b>Government Finance</b>	
<b>Agriculture and Food</b>		Overall budget deficit (including grants) (as % of GDP) 1999 <sup>(1)</sup>	n.a.
Food imports (% of merchandise imports) 1999 <sup>(1)</sup>	n.a.	Total expenditure (% of GDP) 1999 <sup>(1)</sup>	n.a.
Fertilizer consumption (hundreds of grams per ha of arable land) 1998 <sup>(1)</sup>	144	Total external debt (USD million) 1999 <sup>(1)</sup>	1 191
Food production index (1989-91=100) 2000 <sup>(1)</sup>	95.7	Present value of debt (as % of GNI) 1999 <sup>(1)</sup>	17
Cereal yield (kg per ha) 2000 <sup>(1)</sup>	914	Total debt service (% of exports of goods and services) 1999 <sup>(1)</sup>	10.6 <sup>(a)</sup>
<b>Land Use</b>		Lending interest rate (%) 2000 <sup>(1)</sup>	25.1
Arable land as % of land area 1998 <sup>(1)</sup>	20.3	Deposit interest rate (%) 2000 <sup>(1)</sup>	11.9
Forest area (km <sup>2</sup> thousand) 2000 <sup>(2)</sup>	1		
Forest area as % of total land area 2000 <sup>(2)</sup>	3.2		
Irrigated land as % of cropland 1998 <sup>(1)</sup>	8.2		

Notes: (a) Data are for years or periods other than those specified.

n.a. = information not available

SOURCES:

(1) World Bank, *World Development Indicators* database

(2) World Bank, *World Development Indicators*, 2001

(3) UNDP, *Human Development Report*, 2000

## PREVIOUS IFAD FINANCING TO HAITI

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Currency	Approved Loan/Grant Amount	Disbursement (as % of approved amount)
Cul de Sac Irrigation and Agricultural Development Project	IDB	IDB	HC	24 Oct 78	24 Apr 79	15 Dec 89	L - I - 4 - HAI	USD	3 500 000	100%
Food Crops Intensification Project	IFAD	UNOPS	HC	17 Dec 81	11 Feb 83	30 Sep 97	G - I - 88 - HA	SDR	1 220 000	100%
Food Crops Intensification Project	IFAD	UNOPS	HC	17 Dec 81	11 Feb 83	30 Sep 97	L - I - 88 - HA	SDR	12 000 000	90.6%
Northern Region Rural Development Project	World Bank: IDA	World Bank: IDA	HC	21 Apr 83	06 Jan 84	31 Dec 89	L - I - 126 - HA	SDR	4 650 000	99.3%
Small-Scale Irrigation Schemes Rehabilitation Project	IFAD	UNOPS	HC	26 Apr 89	10 May 96	30 Sep 02	G - I - 10 - HA	USD	50 000	90.5%
Small-Scale Irrigation Schemes Rehabilitation Project	IFAD	UNOPS	HC	26 Apr 89	10 May 96	30 Sep 02	L - I - 241 - HA	SDR	8 200 000	64.5%
Food Crops Intensification Project - Phase II	IFAD	UNOPS	HC	03 Dec 98	05 Sep 01	31 Mar 08	G - I - 67 - HT	USD	100 000	100%
Food Crops Intensification Project - Phase II	IFAD	UNOPS	HC	03 Dec 98	05 Sep 01	31 Mar 08	L - I - 496 - HT	SDR	10 950 000	07.2%



## CADRE LOGIQUE

Résumé descriptif	Indicateurs objectivement vérifiables	Source d'information	Risques/hypothèses
<b>1. OBJECTIF GLOBAL</b>			
Contribuer à la réduction de la pauvreté rurale à travers une amélioration durable des revenus et leur diversification, en particulier des plus pauvres et une restauration et une gestion durable des ressources naturelles	<ul style="list-style-type: none"> <li>- Amélioration de la sécurité alimentaire des ménages</li> <li>- Accroissement de la production et des revenus</li> <li>- Diversification des revenus</li> <li>- Amélioration de la situation des femmes et des plus démunis</li> <li>- Amélioration de la gestion des ressources naturelles</li> <li>- Amélioration de la situation nutritionnelle</li> </ul>	<ul style="list-style-type: none"> <li>- Statistiques agricoles nationales</li> <li>- Etudes et enquêtes d'évaluation de l'impact</li> <li>- Revues de fin de phase</li> <li>- Rapport d'achèvement du Programme</li> </ul>	<ul style="list-style-type: none"> <li>- Contexte socio-politique et économique stable</li> <li>- Application des mesures de promotion du secteur privé</li> <li>- Politique de décentralisation effective</li> <li>- Reconnaissance légale des OB et IMF</li> <li>- Synergie avec les programmes nationaux et sectoriels</li> </ul>
<b>2. OBJECTIFS SPÉCIFIQUES</b>			
1. Les capacités d'auto- promotion et d'auto- développement des populations rurales et de leurs organisations à la base (OB) sont renforcées , en particulier les populations les plus vulnérables	<ul style="list-style-type: none"> <li>- Niveau de structuration, d'organisation interne et de viabilité sociale et économique des OB</li> <li>- Niveau des capacités des communautés à planifier, mettre en œuvre et gérer des investissements communautaires (PCD/PMP)</li> <li>- Degré de participation des femmes et des plus vulnérables à la dynamique de développement</li> <li>- Pérennité de la dynamique suscitée par le Programme</li> <li>- Degré d'implication et d'efficacité des instances communales et départementales dans le développement local</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports des opérateurs spécialisés</li> <li>- Rapports de suivi interne</li> <li>- Enquêtes spécifiques d'évaluation</li> <li>- Revues de fin de phase</li> <li>- Rapports et documents de diagnostic et planification participatifs (DPP)</li> <li>- Dossiers des micro- projets</li> <li>- Revues de fin de phase</li> </ul>	<ul style="list-style-type: none"> <li>- OPS confirmés et qualifiés disponibles sur le marché</li> <li>- Adhésion des populations à l'approche</li> <li>- Formation dispensée adaptée aux besoins des populations</li> <li>- Capacités des groupes vulnérables à contribuer aux investissements</li> <li>- Pas de conflits majeurs entre groupes sociaux, élus locaux, communautés, etc.</li> </ul>
3.L'accès durable à des services financiers de proximité des populations rurales pauvres et en particulier des femmes est facilité	<ul style="list-style-type: none"> <li>- Degré d'adaptation des produits financiers aux groupes cibles, et accès effectif des plus démunis</li> <li>- Niveau des capacités d'autogestion des IMF</li> <li>- Degré et perspectives d'autonomie financière des IMF</li> <li>- Durabilité, dynamique et viabilité du réseau IMF (y inclus leur structure faitière)</li> <li>- Professionnalisation des services d'appui aux IMF</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports périodiques du PAIP</li> <li>- Rapports des opérateurs spécialisés</li> <li>- Audits des IMF</li> <li>- Rapports de contrôle de la BRH</li> <li>- Revues de fin de phase</li> </ul>	<ul style="list-style-type: none"> <li>- Rapidité de la mise en place des appuis prévus</li> <li>- Agrément des IMF par les autorités de tutelle</li> <li>- Création d'une structure faitière des IMF</li> <li>- Conditions d'adhésion et d'octroi du crédit adaptées aux caractéristiques des groupes-cibles</li> </ul>
2. Les conditions de la production agricole et non agricole , de la transformation des produits, de la diversification des revenus ruraux et de la commercialisation sont améliorées	<ul style="list-style-type: none"> <li>- Degré d'adoption de systèmes de production adaptés aux ressources naturelles et niveau de diversification des SP</li> <li>- Niveau de contribution des investissements (microprojets – MPs) à l'amélioration des conditions de production</li> <li>- Rentabilité sociale et économique des investissements appuyés par le FAES et autres intervenants</li> <li>- Niveau de contribution des services financiers (IMF) au développement des activités économiques de production, de transformation et de commercialisation</li> <li>- Niveau de diminution du coût des transactions commerciales</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports périodiques du PAIP</li> <li>- Rapport des opérateurs</li> <li>- Rapports des services du MARNDR</li> <li>- Enquêtes d'impact spécifique (S/E)</li> <li>- Revue de fin de phase</li> </ul>	<ul style="list-style-type: none"> <li>- Opérationnalité des résultats de la recherche – action et autres actions d'appui</li> <li>- Rythme et consistance du financement des MPs</li> <li>- Envergure du concours des crédits IMF</li> <li>- Prix et disponibilité des intrants</li> <li>- Capacité des marchés et évolution des prix des produits agricoles</li> </ul>



Résumé descriptif	Résultats/indicateurs objectivement vérifiables	Source d'information	Risques/hypothèses
<b>3. RÉSULTATS</b>			
<b>Composante 1</b>			
R 1 La méthodologie de planification des initiatives communautaires est adoptée et appliquée et progressivement prise en charge par les acteurs locaux	<ul style="list-style-type: none"> <li>- Nombre de communautés dotées d'un PDC par commune et section communale</li> <li>- Nombre d'animateurs mobilisés et formés</li> <li>- Pertinence de l'approche proposée pour l'élaboration des PDCs et degré d'adhésion et de maîtrise par les animateurs et les populations</li> <li>- Niveau de participation des femmes et des jeunes à l'élaboration des PDCs</li> <li>- Durée et coût moyen de l'élaboration des PDCs</li> </ul>		
R 2 Le taux d'alphabétisation des populations ciblées est amélioré	<ul style="list-style-type: none"> <li>- Nombre d'alphabétiseurs formés et mobilisés et communautés touchées</li> <li>- Nombre de sessions et de participants par catégorie (dirigeants d'OB, femmes, jeunes, autres)</li> <li>- Nombre total de bénéficiaires ayant achevé le cycle et taux de réussite par communauté et par catégorie de bénéficiaires</li> <li>- Coût de l'alphabétisation et contribution des communautés</li> <li>- Qualité de l'enseignement et conditions de déroulement des sessions (absentéisme, conditions matérielles, matériel didactique, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports périodiques du PAIP</li> <li>- Rapports des opérateurs spécialisés mobilisés</li> <li>- Rapport du suivi-évaluation (synthèse du contenu PDC et MP, des ateliers et séminaires de S-E participatif...)</li> <li>- Rapports sur les IMF</li> </ul>	<ul style="list-style-type: none"> <li>- Disponibilité et compétences des opérateurs spécialisés</li> <li>- Efficacité des équipes locales pour l'appui à la réalisation des DPP</li> <li>- Bonne compréhension par les OB et les acteurs locaux des objectifs et approche du Programme</li> <li>- Participation active des bénéficiaires aux formations (y inclus alphabétisation), plus particulièrement des femmes et des groupes vulnérables</li> </ul>
R 3 Les actions de formation ont contribué au renforcement des capacités organisationnelles et de gestion des OB	<ul style="list-style-type: none"> <li>- Nombre de sessions de sensibilisation et de formation par thème et par communauté</li> <li>- Nombre de bénéficiaires par catégorie( dirigeants OB, femmes, jeunes, autres)</li> <li>- Nombre de voyages d'étude (Haïti et étranger), et nombre et qualité des participants</li> <li>- Coût des actions de sensibilisation et de formation</li> <li>- Degré de satisfaction des participants selon les thèmes</li> </ul>		
R 4 Les actions du programme ont contribué au renforcement des capacités des instances locales et des élus locaux en matière de gestion du développement local	<ul style="list-style-type: none"> <li>- Nombre et fréquence des forums communaux et départementaux, thèmes et nombre et qualité des participants</li> <li>- Nombre et fréquences des ateliers nationaux, thèmes, nombre et qualité des participants</li> <li>- Coût des forums et des ateliers</li> <li>- Degré de satisfaction des participants aux forums et aux ateliers</li> <li>- Degré de contribution de ces manifestations à la bonne marche du programme (principaux résultats opérationnels )</li> </ul>		



Résumé descriptif	Résultats/indicateurs objectivement vérifiables	Source d'information	Risques/hypothèses
<b>Composante 2</b>			
R 5 Les PDCs sont traduits en micro-projets élaborés selon une approche participative avec l'appui du Programme	<ul style="list-style-type: none"> <li>- Nombre de MP en cours d'élaboration et MPs finalisés et présentés pour financement au FAES (total et par commune)</li> <li>- Durée et coût d'élaboration des MPs</li> <li>- % MP par rapport aux actions inscrites au PDC</li> <li>- Volume des investissements sollicités par MP et total/ Investissements totaux</li> <li>- Répartition des MPs et investissements sollicités par type/secteur d'activité</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports périodiques du PAIP</li> </ul>	<ul style="list-style-type: none"> <li>- Un manuel de procédures de financement simple et adapté</li> </ul>
R 6 Les investissements identifiés à la base (MP) bénéficient de l'appui technique et financier du FAES	<ul style="list-style-type: none"> <li>- Nombre et % MPs financés et investissements accordés/ sollicités</li> <li>- Répartition des MPs et investissements retenus par type/secteur d'activité</li> <li>- Délai de réponse du FAES et délai de réalisation</li> <li>- Volume et qualité de l'appui technique à la mise en œuvre</li> <li>- Nombre et catégories des bénéficiaires directs et indirects des MPs</li> </ul>	<ul style="list-style-type: none"> <li>- Rapport des opérateurs spécialisés</li> <li>- Rapports de campagne agricole du MARNDR (DDA/BAC)</li> </ul>	<ul style="list-style-type: none"> <li>- Respect des procédures du PAIP par tous les acteurs</li> <li>- Rapidité dans la mise en place des financements</li> </ul>
R 7 Les communautés et leurs organisations contribuent efficacement à la mise en œuvre des MPs	<ul style="list-style-type: none"> <li>- Nature et % de la contribution des communautés au financement des MPs</li> <li>- Types d'organisation de la mise en œuvre et de l'exécution des travaux</li> <li>- Degré de participation des OB à la gestion des fonds</li> <li>- Degré de participation des jeunes et des femmes à la mise en œuvre</li> <li>- Nature de la contribution des instances locales et des élus à la mise en œuvre</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports suivi-évaluation (synthèse dossiers MP, suivi – évaluation participatif., enquêtes spécifiques, etc.)</li> <li>- Documents financiers du FAES</li> </ul>	<ul style="list-style-type: none"> <li>- Mobilisation des contributions locales dans les délais et normes convenues</li> <li>- Disponibilité et qualification de petits entrepreneurs locaux</li> </ul>
R8 Les activités transversales et d'accompagnement contribuant au développement agro-pastoral sont menées	<ul style="list-style-type: none"> <li>- Nombre et thèmes d'études et de conventions de recherche- action</li> <li>- Nature des technologies nouvelles de production mises au point et diffusées</li> <li>- Nombre de boutiques d'intrants implantées et nature et volume d'activité</li> <li>- Nature et volume des activités d'information commerciale réalisées</li> <li>- Nature et volume des autres activités d'appui à la commercialisation</li> </ul>		
<b>Composante 3</b>			
R 9 Un réseau de nouvelles IMF et d'IMF existantes consolidées est opérationnel et financièrement viable et autonome	<ul style="list-style-type: none"> <li>- IMF existantes sélectionnées après étude et consolidées/ IMF totales et adhérents</li> <li>- Nombre IMF créées et effectif des adhérents et évolution</li> <li>- Proportion des femmes dans les 2 types</li> <li>- Taux d'adhésion (nombre adhérents/effectif groupes cibles)</li> <li>- Ratios de situation financière des IMF (capitalisation, autonomie financière, portefeuille, encours, taux d'intérêt, taux de remboursement, réserves, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports des opérateurs de suivi de proximité des IMF</li> </ul>	<ul style="list-style-type: none"> <li>- Délai d'élaboration et degré d'adaptation du cadre réglementaire</li> <li>- Délai des procédures d'agrément des IMF</li> </ul>
R 10 L'accès des populations défavorisées au crédit se développe suivant un processus progressif	<ul style="list-style-type: none"> <li>- Évolution du nombre de bénéficiaires</li> <li>- Proportion des femmes et jeunes bénéficiaires</li> <li>- Montants moyens des crédits accordés et volume</li> <li>- Types d'activités et secteurs financés</li> <li>- Taux de pénétration ( nombre de bénéficiaires/ nombre d'adhérents)</li> </ul>	<ul style="list-style-type: none"> <li>- Rapports de S-E et d'activités de la structure d'expertise nationale</li> <li>- Comptabilité des IMF appuyés</li> </ul>	<ul style="list-style-type: none"> <li>- Qualification des opérateurs spécialisés</li> </ul>
R 11 Les actions d'accompagnement (études, appuis) ont été mises en œuvre	<ul style="list-style-type: none"> <li>- Études réalisées</li> <li>- Délais de mobilisation et qualité des appuis techniques mobilisés</li> <li>- Actions d'appui et de formation ciblant les cadres BRH</li> <li>- Délai de mise en place et efficacité de la structure faîtière des IMF</li> <li>- Délai et rythme d'agrément des IMF par le BRH</li> <li>- Efficacité du système de suivi des IMF</li> </ul>	<ul style="list-style-type: none"> <li>- Enquêtes d'impact</li> </ul>	<ul style="list-style-type: none"> <li>- Existence de partenaires financiers crédibles</li> <li>- Complémentarité entre le financement FAES des IMF et des autres sources de crédit</li> </ul>









## ORGANISATION ET GESTION

### A. Organisation générale et agence d'exécution

1. L'agence d'exécution du programme sera le FAES. Les avantages de l'ancrage du PAIP au FAES sont nombreux : (i) développement du guichet "productif" du FAES pour renforcer la complémentarité des actions sociales et économiques financées par l'institution et ainsi apporter un appui plus complet aux communautés; (ii) utilisation d'une institution autonome administrativement et financièrement déjà existante (plutôt que d'en créer une nouvelle) qui a pu démontrer sa capacité à gérer des fonds importants à la satisfaction des institutions financières internationales, permettant ainsi une meilleure efficacité, une opérationnalité immédiate et des économies d'échelle (utilisation de services administratifs, comptables et logistiques communs); (iii) meilleure lisibilité et efficacité de la mise en œuvre des politiques sectorielles du gouvernement, dont celle de développement rural, d'appui à la microfinance, et d'appui au développement local; (iv) renforcement de la synergie et de la complémentarité entre les bailleurs de fonds qui participent au financement du FAES.
  
2. La structure et les principes organisationnels de la mise en œuvre du PAIP seraient les suivants:
  - Le PAIP disposera d'un personnel technique propre (au siège et dans les antennes) mais inséré dans la structure du FAES : en effet les expériences des autres pays (Bolivie, Ghana, etc.) ont montré des difficultés lorsqu'une institution, principalement axée sur la promotion des actions sociales, doit mettre en œuvre des microprojets productifs et, qui exigent des méthodes de travail, des compétences et une organisation différentes;
  - En attendant la réorganisation (à l'étude) du FAES qui pourrait s'avérer longue<sup>1</sup>, le FAES mettra en place une unité pour les initiatives économiques (UIE), composée d'un personnel très réduit et rattachée directement à la Direction générale, chargée notamment de la coordination du PAIP. L'UIE travaillera en appui aux autres Directions pour la mise en œuvre du PAIP: elle administrera les ressources FIDA, du Trésor, et d'éventuels autres bailleurs de fonds pour la mise en œuvre du PAIP et, plus généralement, des appuis aux initiatives économiques et productives. A terme, lors de la réorganisation, cette unité pourrait se transformer en une Direction des initiatives économiques (DIE)<sup>2</sup>;
  - Le FAES mettra en place des antennes départementales (bureaux décentralisés) qui serviront autant le PAIP que le FAES tout entier : trois durant la première phase, dans les départements où débiteraient les activités du PAIP, puis deux autres dans la phase d'extension des activités. Au vu des implications financières, ce thème devra être négocié avec les autres bailleurs de fonds du FAES. Ces antennes seront dotées d'un pouvoir décisionnel (limité) sur l'attribution des financements en faveur des microprojets, tels que définis dans le manuel d'opération du PAIP;
  - Deux comités techniques seront institués pour permettre aux acteurs concernés (communautés de base et IMF appuyées, administration, ONG et projets concernés) de participer au pilotage stratégique et au suivi de l'exécution du PAIP, en matière d'appui aux initiatives productives et de renforcement des capacités locales d'une part, et d'appui aux institutions de microfinance rurale, d'autre part;
  - Le Ministre de l'agriculture participerait au Conseil d'administration du FAES quand les problèmes du PAIP y seront discutés;
  - Un espace de concertation entre le GDH, le FAES et les bailleurs de fonds serait mis en place;

<sup>1</sup> La réflexion sur la réorganisation du FAES est appuyée par une consultation financée par la Banque mondiale; tout changement de la structure organisationnelle actuelle nécessiterait sans doute une modification du décret-loi portant création du FAES, voire une approbation du Parlement.

<sup>2</sup> Cette direction pourrait aussi s'intituler: Direction d'appui aux initiatives productives ou Direction du développement économique.



- Les procédures générales du FAES seront applicables au PAIP (politique de ressources humaines, comptabilité, finances, etc.). Cependant, les fonds FIDA pour le PAIP seront clairement identifiés dans la comptabilité du FAES et ne pourront pas être utilisés à d'autres fins (santé et éducation, qui pourront être financés par le volet social du FAES);
- La mise en œuvre et la gestion des fonds du PAIP se fera en suivant un manuel d'opérations (MO) propre, décrivant notamment les critères d'éligibilité et les procédures spécifiques pour l'appui aux initiatives productives et aux IMF.

## **B. Coordination et gestion du Programme**

### **Unité pour les initiatives économiques - UIE (Direction des initiatives économiques -DIE)**

3. L'unité pour les initiatives économiques en milieu rural (UIE, future DIE), à créer, serait responsable de la coordination et de la gestion du PAIP et de tous les autres programmes ayant pour thème l'appui aux initiatives productives et économiques (indépendamment des sources de financement). Travaillant en étroite collaboration avec les autres Directions et les antennes pour la mise en œuvre du PAIP, l'UIE aura en conséquence un personnel très réduit mais hautement qualifié: (i) un responsable de l'unité, coordinateur du PAIP; (ii) trois cadres d'appui à la réalisation (deux durant la 1ère phase), coordonnant chacun une composante et/ou supervisant des zones géographiques ciblées, ayant des domaines de compétences complémentaires et couvrant le champ des différentes activités du PAIP; (iii) un cadre de suivi-évaluation, travaillant en étroite collaboration avec ses collègues des antennes régionales et des autres directions du FAES; et (iv) du personnel d'appui: deux secrétaires (dont une de direction) et deux chauffeurs. Tous les cadres seront sensibilisés à la thématique genre, en sus des capacités professionnelles exigées par leur poste.

### **Antennes régionales/départementales du FAES**

4. En ce qui concerne le PAIP, le rôle des antennes serait le suivant: (i) faciliter les échanges d'information et de documentation entre les communautés/OB appuyées par le PAIP et le siège du FAES (demandes d'appui et de financements, document de PDC, de MP, etc.); (ii) participer aux campagnes de sensibilisation et d'information de la population et des partenaires locaux (élus, projets, etc.); (iii) suivre sur le terrain l'activité des OPS contractés par le PAIP, et préparer régulièrement des notes de suivi des ces prestataires pour l'UIE; (iv) apporter tout appui nécessaire aux animateurs communaux et aux animateurs-relais dans les communautés pour la réalisation de leurs tâches respectives; (v) approuver le financement des MPs productifs, dans les limites établies dans le manuel d'opération du PAIP; (vi) superviser l'état d'avancement de l'élaboration et la mise en œuvre des PDCs/MPs par rapport aux calendriers prévus et fournir toute assistance nécessaire pour faciliter leur mise en œuvre; (vii) participer aux séances d'évaluation participatives dans les communautés avec les animateurs, en établir la synthèse annuelle et en communiquer le résultat à au siège; (viii) animer les forums de concertation communaux et départementaux pour le suivi et la programmation participative du PAIP. Le personnel des antennes régionales pris en charge par le PAIP serait limité à quatre personnes: un responsable d'antenne, un adjoint ayant des compétences techniques et administratives, un chauffeur et un gardien.

### **Comités techniques et d'orientation**

5. Les deux comités techniques se réuniraient suivant les besoins (au moins une fois par an) et auraient un rôle consultatif : ils émettraient des avis sur les programmes de travail et budgets annuels (PTBA), les approches et stratégies de mise en œuvre, le manuel d'opération du PAIP, les rapports d'activités techniques et financières, les activités et rapports de suivi et d'évaluation, les études et enquêtes réalisées par le programme, etc. Leurs remarques et suggestions seraient transmises à la direction et au conseil d'administration du FAES. Leur secrétariat sera assuré par le FAES



6. **Comité technique pour les projets productifs.** Ce comité serait compétent dans les domaines du renforcement des capacités locales, de l'approche participative et des appuis aux microprojets productifs. Il comprendrait les représentants: (i) des ministères concernés : MARNDR, MDE, MPCE, MTP; (ii) des organisations de base (OB) appuyées par le PAIP; (iii) des ONG et projets actifs en matière d'approche participative, de développement local et rural, d'appui à la production, à la commercialisation et aux initiatives économiques de base, et de protection de l'environnement.

7. **Comité technique pour la microfinance.** Ce comité suivrait la mise en œuvre de la composante microfinance du PAIP. Il comprendrait des représentants : (i) du MEF; (ii) de la BRH et des instances spécialisées qui lui sont rattachées; (iii) de l'association professionnelle des banques; (iv) des dirigeants élus des IMF encadrées par le Programme; et (v) de l'association professionnelle des IMF haïtiennes, dont le PAIP favorisera la création.

### **Conseil d'Administration (CA) du FAES**

8. Prenant en considération l'importance qui sera donnée au financement des activités productives en milieu rural, il est proposé que le Ministre de l'agriculture (ou son représentant) soit invité au CA du FAES chaque fois que les problèmes du PAIP y seront discutés. Pour les décisions importantes concernant le PAIP (approbation du PTBA, du manuel d'opération, décisions relatives au suivi et évaluation, au personnel de l'UIE, etc.), le CA s'engagerait à prendre en considération les suggestions des comités techniques et à recevoir la non-objection du FIDA sur les décisions fondamentales, conformément aux clauses prévues à l'accord de prêt.

### **Comité d'approbation des projets (du FAES)**

9. Le responsable de l'UIE sera membre de plein droit du Comité d'approbation des projets. Dans le cadre de la décentralisation du FAES, ce comité déléguera vers les responsables d'antennes régionales la faculté d'approuver une partie des projets productifs, tels que défini dans le manuel d'opérations du PAIP et dans les limites budgétaires accordées annuellement (PTBA).

### **Espace de concertation des bailleurs de fonds**

10. Une concertation entre le GDH, le FAES et les bailleurs de fonds participant à son financement (y compris les bénéficiaires en tant que cofinanciers des microprojets) serait organisée de manière périodique par le FAES et le MPCE afin de : (i) renforcer la coordination et la cohérence des approches, méthodologies et procédures pour l'appui aux communautés mises en œuvre dans le cadre des différents programmes exécutés par le FAES sur financement externe, notamment en matière de ciblage, d'éligibilité au financement, de modalités d'appui aux communautés, en particulier en ce qui concerne les projets productifs; (ii) assurer la complémentarité des financements des BDF et rechercher d'éventuels financements additionnels (dons pour l'assistance technique en particulier); (iii) veiller à un équilibre entre les appuis sociaux et économiques du FAES; (iv) examiner la compatibilité/complémentarité entre les PTBA et les manuels d'opérations des différents programmes exécutés par le FAES; (v) veiller à l'harmonisation des procédures et règles internes du FAES applicables à ces derniers en ce qui concerne les ressources humaines (recrutement, promotion, renvoi, frais de déplacement), ainsi que la gestion comptable et financière; (vi) appuyer l'amélioration continue du système de suivi et d'évaluation des différents programmes, en attachant une grande importance à l'évaluation d'impact auprès des bénéficiaires, notamment par la promotion de méthodes participatives; (vii) faire circuler entre les différents bailleurs les rapports d'exécution technique et financiers, de suivi et d'évaluation interne et externe et les différentes études concernant les différents programmes en exécution; (viii) présenter toute recommandation au Président du Conseil d'administration du FAES sur tous les points précédents et d'autres jugés utiles.

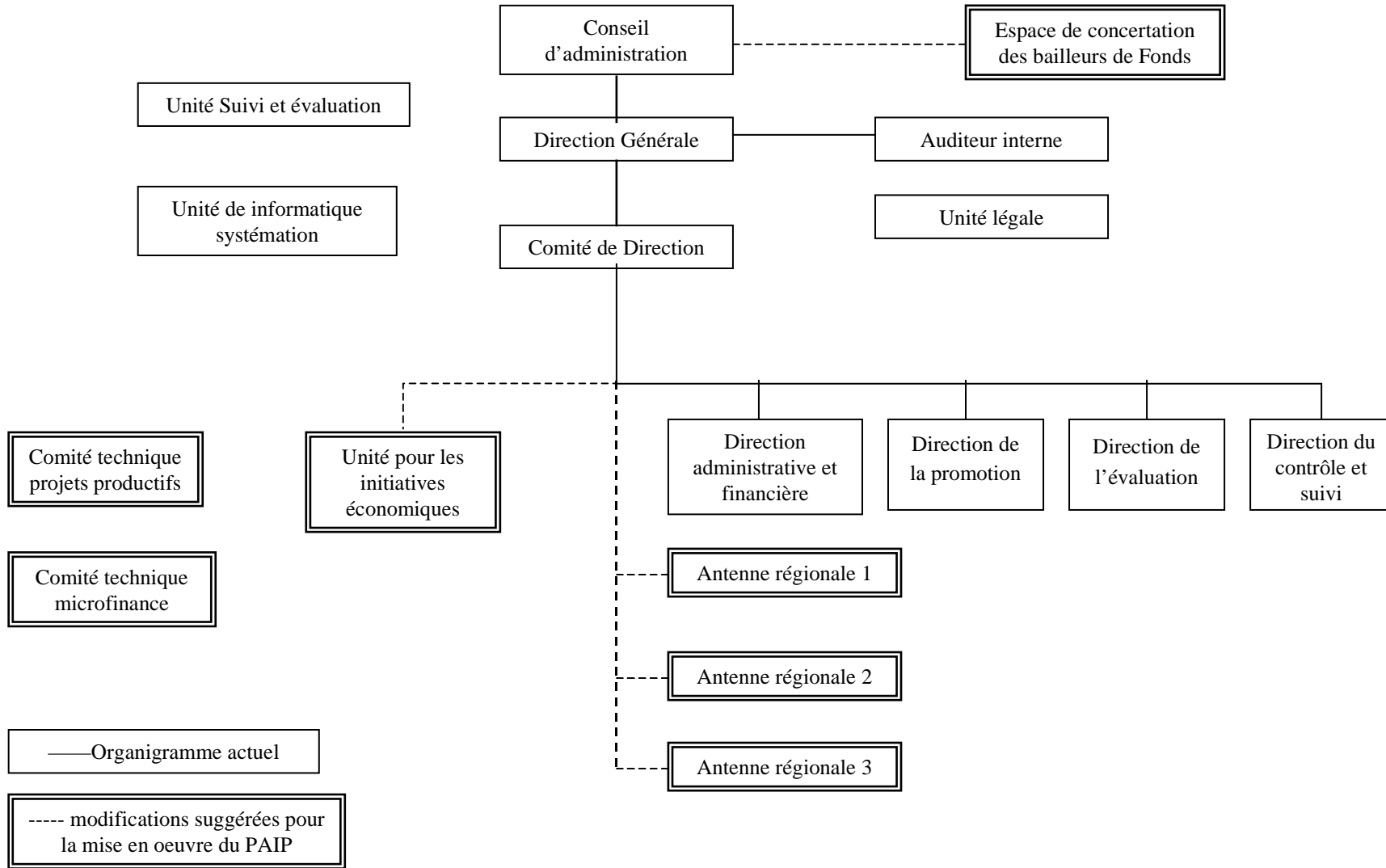
11. La concertation prendrait la forme de réunions de discussion et d'échanges d'expériences (au moins une fois par an) et, entre les réunions, d'un forum de discussion sur internet avec distribution d'informations par courrier électronique aux intéressés et/ou d'un site internet interactif.



APPENDIX IV

Participeraient à ces réunions (au réseau électronique) des représentants : (i) des ministères concernés (MEF, MARNDR, MPCE, BRH, MDE); (ii) des bailleurs de fonds appuyant le FAES (BID, FIDA, BM, etc.); (iii) des communautés et OB appuyés par le PAIP, dans la mesure où ces acteurs participent au financement du programme; (iv) le Directeur général du FAES et les Coordinateurs des différents programmes exécutés par le FAES (dont le PAIP).

## ORGANIGRAMME DU PROGRAMME





## CRITÈRES D'ÉLIGIBILITÉ DES MICROPROJETS

**Tableau 1: Liste des projets exclus du financement du Programme**

- |   |
|---|
| <ul style="list-style-type: none"><li>i) Investissements en activités religieuses, rénovation ou construction d'églises, chapelles, temples, mosquées, etc;</li><li>ii) Investissements dans des activités de fabrication, de commercialisation ou d'utilisation, sous toutes leurs formes, de produits alcooliques et de drogues;</li><li>iii) Construction de bâtiments publics (sièges de préfectures et arrondissements, logements de fonctionnaires, sièges de communes ou de sections communales, sièges de syndicats ou de partis politiques);</li><li>iv) Construction de logements individuels, pour les élus locaux ou pour les agents des collectivités territoriales, des services déconcentrés des ministères techniques, du programme PAIP ou autres ;</li><li>v) Acquisitions de moyens de transport pour les collectivités territoriales, les agents des services déconcentrés ou l'administration ;</li><li>vi) Acquisition d'équipements de bureau et autres équipements pour le compte des collectivités territoriales, des services déconcentrés dans les départements et arrondissements, de l'administration locale ;</li><li>vii) Autres investissements et frais de fonctionnement de quelle nature que ce soit pour les communes, les sections communales ou les services déconcentrés.</li><li>viii) Investissement bénéficiant à un seul individu.</li></ul> |
|---|

**Tableau 2 : Critères d'éligibilité des micro projets (MPs)**

<b>CRITÈRES</b>	
i)	Investissement bénéficiant à une communauté ou une organisation clairement identifiée (caractère communautaire des micro projets);
ii)	Investissement à rentabilité différée, ayant trait directement ou indirectement à: <ul style="list-style-type: none"><li>• La diversification des revenus ruraux,</li><li>• L'intensification ou la diversification de la production agricole et de l'élevage,</li><li>• La mise en valeur des terres et des eaux,</li><li>• La gestion rationnelle et la protection des ressources naturelles ainsi que la lutte contre la désertification,</li><li>• Le développement des activités en amont et en aval de la production agricole, en particulier la commercialisation et la transformation des produits agricoles,</li><li>• Les petites opérations de désenclavement des zones de production et des marchés,</li><li>• Les infrastructures rurales en appui à la production et à la commercialisation de la production</li><li>• Le développement des services ruraux ;</li></ul>
iii)	Pas d'impact environnemental négatif ou impact environnemental maîtrisé (vérifié par une étude d'impact rapide – check-list) pris en compte par la proposition de financement ;
iv)	Bonne rentabilité financière pour les investissements productifs ou générateurs de revenus (justifiée grâce à une analyse financière au niveau des bénéficiaires) ;
v)	Rentabilité économique et sociale justifiée pour les investissements non directement productifs
vi)	Impact direct ou indirect du MP sur l'augmentation des revenus des plus démunis (dont les femmes) démontré;
vii)	Participation importante des femmes au MP (comme membres ou à travers leurs groupements) démontrée;
viii)	Règles clairement définies dès le départ pour le partage des bénéfices générés par le MP entre les membres de la communauté (de l'organisation), en fonction des risques pris par chacun des membres (le dépôt sur un compte bancaire ou dans une IMF de réserves prélevées sur les bénéfices pour financer d'autres investissements serait encouragé);
ix)	Garantie de l'entière appropriation de l'investissement par la communauté et l'organisation bénéficiaire; en particulier: <ul style="list-style-type: none"><li>• Définition dès le départ d'un mécanisme de recouvrement des coûts d'entretien et de gestion (caisse d'entretien, fonds de roulement), et</li><li>• Définition claire des responsabilités des membres de l'organisation en ce qui concerne l'entretien et la maintenance de l'investissement;</li></ul>
x)	Contribution de l'organisation (des bénéficiaires) au financement du MP (sous forme de contrepartie monétaire et/ou en main d'œuvre et/ou en matériaux locaux de construction et/ou autre à définir à chaque étape) clairement identifiée et valorisée dans le document de MP; cette contribution est variable suivant le type de projet et la capacité des organisations, mais en moyenne de 20% du coût total du MP;
xi)	Arrangements pour l'appui technique à la réalisation du MP (formation, suivi externe) clairement identifiée au sein de la communauté ou dans la localité, tant dans sa nature que son coût et les partenaires pouvant le fournir (surtout si le MP prévoit l'achat d'équipement nécessitant un entretien permanent et/ou la mise en œuvre de nouvelles technologies);
xii)	Capacité de gestion actuelle de l'organisation suffisante pour l'exécution et le suivi du MP et moyens prévus pour renforcer cette capacité dans le futur.



Tableau 3 : Modes de financement par type de MP

<b>Niveau d'intervention</b>	<b>Communal</b>	<b>Habitations</b>	<b>Groupements d'intérêt économique</b>
<b>Type de micro projet</b>	Piste villageoise (amélioration de l'état, raccordement, ...) Ouvrage de franchissement Marché rural Aire de marché Hydraulique villageoise	Banque de céréales Magasin villageois Aire d'abattage Aire de séchage Protection de source Aménagement de micro bassin versant Aménagement de plaine Alphabétisation Formation d'auxiliaires vétérinaires Lac collinaire	Ateliers divers Artisanat Aménagement de bas-fonds Périmètre maraîcher Recapitalisation en équipements agricoles Boutique d'intrants agricoles Unité de transformation (décortiqueuses, cassaverie, moulins.) Culture attelée Amélioration des troupeaux Pharmacie vétérinaire Petites opérations de conservation des eaux et des sols
<b>Contribution des bénéficiaires</b>	<b>5 à 10%</b>	<b>10 à 25%</b>	<b>20 à 50%</b>



**DÉCLENCHEURS POUR LE PASSAGE ENTRE PHASES****Tableau 1 : Critères de passage de la phase I à la phase II (de la 3<sup>ème</sup> en 4<sup>ème</sup> année)**

<b>DÉCLENCHEURS INSTITUTIONNELS</b>	<b>DÉCLENCHEURS ÉCONOMIQUES, TECHNIQUES ET FINANCIERS</b>
<p>i) Le système de contrôle interne de gestion est efficace et produit des tableaux de gestion pertinents.</p> <p>ii) Le système de suivi et d'évaluation est performant et utile pour évaluer les critères de passage: il produit des rapports aux échéances prévues, et des rapports d'évaluations participatives ont été élaborés avec les communautés appuyées.</p> <p>iii) Les mécanismes d'élaboration et procédures de financement des plans de développement communautaires (PDCs) et des microprojets prioritaires (MPs) ont été précisés dans un manuel de gestion du PAIP, sont appliqués de manière satisfaisante et ne posent pas de problèmes majeurs.</p> <p>iv) La structure d'expertise nationale pour les IMF a été mise en place et appuie de manière satisfaisante les opérateurs locaux de suivi de proximité des IMF.</p>	<p>i) Les PDCs et MPs qui y sont inscrits prennent en compte les priorités et besoins des groupes les plus défavorisés.</p> <p>ii) Au moins 30% des initiatives productives à la base ont bénéficié directement aux femmes.</p> <p>iii) Au moins 20 nouvelles IMF ont été constituées et 30 IMF existantes ont été renforcées.</p>

**Tableau 2 : Critères de passage de la phase II à la phase III (de la 7<sup>ème</sup> à la 8<sup>ème</sup> année) <sup>a/</sup>**

<b>DÉCLENCHEURS INSTITUTIONNELS</b>	<b>DÉCLENCHEURS ÉCONOMIQUES, TECHNIQUES ET FINANCIERS</b>
<p>i) Le suivi-évaluation et le contrôle financier et interne de gestion ont accompagné d'une façon satisfaisante les réalisations du programme et une documentation appropriée est disponible.</p> <p>ii) Les conditions de désengagement progressif des différents opérateurs au profit des communes et sections communales, des OB et des acteurs locaux sont réunies:</p> <ul style="list-style-type: none"><li>▪ au moins 50% des PDCs peuvent être élaborés et révisés de manière autonome par les acteurs locaux, avec un appui réduit du programme;</li><li>▪ au moins 50% des forums communaux (associant OB et élus locaux) sont en mesure de s'impliquer plus dans la décision de financement des MPs et dans le suivi de leur mise en oeuvre.</li></ul>	<p>i) 40% des MPs ont bénéficié directement aux femmes.</p> <p>ii) Au moins 70 % des MPs financés ont démontré une rentabilité suffisante et un impact positif sur l'augmentation des revenus du groupe cible, attestés par des évaluations ex-post.</p> <p>iii) 50% au moins des OB appuyées sont capables de tenir une comptabilité simplifiée et maîtrisent les paramètres de gestion de leurs activités.</p> <p>iv) Au moins 70% des IMF créées ou renforcées ont des résultats satisfaisants:</p> <ul style="list-style-type: none"><li>▪ les remboursements de crédit sont suffisamment élevés et permettent à 70% des IMF créés ou appuyés depuis plus de quatre ans de couvrir leurs charges de fonctionnement (y inclus l'appui technique);</li><li>▪ les crédits aux femmes représentent plus de 30% du nombre total et du montant de prêts.</li></ul>

a/ Cette proposition de déclencheurs est indicative et sera révisée et enrichie sur proposition de la mission de revue de fin de 1<sup>ère</sup> phase