

January 10, 2014

Comments from Germany and Spain-- Approval by mail: Haiti: Centre Artibonite Regional Development Project (PPCR) IBRD

Dear Haiti team,

on behalf of Spain and Germany thank you very much for your above mentioned project proposal. Unfortunately we feel not in a position to agree to the proposal right now. We would be grateful to be able to discuss details further. Pls find comments attached.

All the best
Annette

Joint Spanish and German Comments on proposed project:
Haiti
Centre Artibonite Regional Development Project

Summary

The proposed “Haiti Centre Artibonite Regional Development Project” puts enhancing all-weather connectivity and logistics for the agricultural sector at its core. We fully recognise that this is a key development issue in Haiti’s rural regions, and appreciate the effort that has gone into the project design.

We are concerned, however, that there appears to be rather little that sets the project design apart from a “standard issue” infrastructure improvement project, which in turn raises the question why such a design would justify a PPCR investment. In no way do we mean to question the need for infrastructure improvement, particularly not given Haiti recent history of natural disasters – but such need does not automatically justify PPCR involvement.

From our point of view, there are thus **major** objections to the project, and we would like to see the project document revised **prior to approval** of the document by the PPCR sub-committee, taking into account our recommendations below (see **bold** highlights).

Individual Comments on the Proposed Project

The proposed PPCR “Haiti Centre Artibonite Regional Development Project”, with a volume of 8.0 million US\$, first and foremost constitutes the PPCR contribution to a larger, IDA financed infrastructure improvement project, with an overall volume of 58 million US\$. Of the PPCR contribution, 6.1 million US\$ will be hardware investments; 1.0 million US\$ will be used for technical assistance to the Inter-Ministerial Committee for Territorial Development (CIAT) including conducting analytical studies,

setting up data bases, and developing guidelines; and 0.9 million US\$ will support capacity development at the local level. The infrastructure to be improved includes the Centre Artibonite region's road network and its urban and rural markets.

By improving the infrastructure, the project aims at enhancing the access of inhabitants and agricultural producers to (selected) markets within the Centre Artibonite region. This will undoubtedly be an important strategy to spur economic growth in the region's agricultural sector. It needs to be complemented, however, by climate proofing of agriculture in the region, as better market access will not necessarily contribute to more climate resilience, if the upstream (i.e. production) parts of the agricultural value chain are not made climate resilient as well. Thus, we would have welcomed to review both projects, the "Haiti Centre Artibonite Regional Development Project" and the "Climate Proofing of Agriculture in the Centre Artibonite Region" project (as outlined in the SPCR), in conjunction. The latter might contain adaptation-specific elements which in our view appear to be lacking in the former (see further comments below).

The "cover page for approval request" document (as provided) lists the following five major thematic areas, in which the proposed project would make contributions:

- (i) enhancing transport connectivity between the Centre Artibonite region and other regions;
- (ii) enhancing the access of inhabitants and agricultural producers to selected markets by improving internal connectivity within the Centre Artibonite region as well as selected market facilities;
- (iii) developing regional knowledge and tools to enable public and private actors in the region to better plan investments and activities;
- (iv) improving the region's resilience to climate change;
- (v) providing the Government of Haiti with resources and capacity to respond promptly and effectively to an eligible emergency.

Regarding thematic areas (i) and (ii), the proposal explains quite clearly how significant contributions in these areas would be made. Also, these are the thematic areas which most of the PPCR resources would flow into (at least 6.1 of 8 million US\$ in total). Regarding thematic area (v), it appears from the cost and financing overview that the PPCR grant actually makes no contribution to the project's "Contingent Emergency Response Component". **If that was indeed correct, we would suggest dropping the reference to providing capacity to respond to emergencies, or at least clarifying that the PPCR will make no contribution in this area.**

Regarding thematic areas (iii) and (iv), we note that only 1.9 million US\$ appear to have been allocated here at the most, which would be equivalent to only 24% of the PPCR grant, or only 4% of overall project volume (58 million US\$). This raises serious concerns, as support in the thematic areas (iii) and particularly (iv) is probably closer to the PPCR's key mandate to "to pilot and demonstrate ways to integrate climate risk and resilience into core development planning" than mere investments in hard infrastructure as envisaged in thematic areas (i) and (ii); in particular when considering that the bulk of IDA financing (at least 37.9 million US\$ or 75% of total IDA investment) is already being used for support in thematic areas (i) and (ii). (By comparison, in the original SPCR document, significantly more of the PPCR grant resources – 3 million US\$ (out of 8) instead of 1.9 – had tentatively been allocated for "creating an enabling environment" under the project "Climate Proofing

of Infrastructures in the Centre-Artibonite Loop”, as it was called at the time of completing the SPCR.)

In terms of content, we find the proposal lacking some of the depth that could reasonably be expected from a PPCR proposal on how “the region’s resilience to climate change” would be improved through measures other than mere hard infrastructure investment, and how such improvements would be measured. For example, the “cover page for approval request” document mentions “climate-proofing investments in “poles of economic growth”” as one of the “specific objectives” of the proposed project – yet, the proposal remains rather vague on how such climate proofing would look like. Looking at the results framework, we find the linkages drawn between its indicators and the PPCR Core Indicators somewhat weak. For instance, how would the number of “spot interventions to enhance climate resilience of roads” indicate the “extent to which vulnerable households, communities, businesses and public sector services use improved PPCR supported tools, instruments, strategies, activities to respond to climate variability and climate change”?

In summary, there appears to be rather little that sets the project design apart from a “standard issue” infrastructure improvement project, or in other words what makes it an adaptation project – which in turn raises the question why such a design would justify a PPCR investment. In no way do we mean to question the need for infrastructure improvement, particularly not given Haiti recent history of natural disasters – but such need does not automatically justify PPCR involvement. **Before this background, we strongly recommend revisiting the project design and elaborating much more clearly the design elements specific to climate change adaptation – with changes to (a) budget allocation, (b) narrative and (c) results framework.** The “project information” that was provided in section 2.5 of the SPCR might provide useful suggestions; and we also suggest considering our own earlier comments on the SPCR and on the proposed project.

Comments on Cross-Cutting Issues

Gender

The indicators of the results framework, in some instances, differentiate by gender, however either only at a very aggregate level (access to all season roads, direct project beneficiaries) or at the level of project outputs (number of people trained). **We would like to see more gender differentiation at the process level, in particular in *Component 3. Supporting the development of regional knowledge, planning capacity and local participation*.** For instance, the degree to which women participate in consultation activities or in urban planning should be reflected in the results framework’s indicators.