

[Approved by mail]: Haiti – Municipal Development and Urban Resilience Project (PPCR) (World Bank) (XPCRHT070A) – World Bank Response to Germany Comments

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<p>Germany appreciates the project proposal that is based on a comprehensive climate risk management approach and addresses various risk factors and corresponding co-benefits in its solution approach with regard to tackling climate change, poverty alleviation and (informal) urbanization. As the project focuses on urban areas and strengthening their resilience while around 60% of the Haitian population still depend on agricultural activities for ensuring their subsistence, Germany kindly requests to outline how the drivers of urbanization and available urbanization scenarios for Haiti are considered/ will be addressed within the project’s design and implementation for ensuring sustainable project achievements. Germany recommends to combine/ align the project with/ to other measures addressing the needs of people living in rural areas as an alternative development option mitigating driving factors (i.e. climate change) of growing urbanization going hand in hand with increasing pressures on public service provision in urban areas. Germany kindly asks to outline the urbanization scenarios and time horizons that were used within the project design phase.</p>	<p>Thank you. The document presents a set of urbanization trends for Haiti (i.e. urbanization scenarios) based on the available existing data, and it reflects the estimated urbanization levels and growth rates for the 6 communes targeted under this project. The precise levels of urbanization are very hard to estimate due the fact that the last census was conducted in 2003. The time horizons that were used were to look at the projections that are done on the basis of the available projects developed by Haiti's national statistics agency.</p> <p>It is correct that the majority of households in Haiti depend on agriculture as a key source for livelihood (although the share is reducing), but nevertheless, urban areas play a key role in the economy as centers for commerce, trade, provision of services, and as points for connectivity to areas outside the department. As an example, day population in Cap Haitien is estimated to be at least 75% higher than the night time population – a strong testament to the urban – rural linkages and the importance of urban areas for the rural population.</p> <p>With regards to the recommendation to align the project with measures addressing the needs of people in rural areas, the project finance does not allow for additional focus outside the urban areas. The team takes note that some rural to urban migration in Haiti is also pushed by climate change related factors, affecting agricultural productivity. However, it is outside the scope of the project to provide interventions in rural areas to mitigate such effects in agriculture. The team is working closely with the Bank agriculture team and is conscious of the various interventions that</p>

	<p>are being promoted in the sector to address climate change related factors.</p>
<p>GER kindly asks to go beyond this consciousness and consider and align the project’s intervention to other projects working in the rural areas of Haiti - not only from the Bank, but also from other donors. For instance, there is a GIZ project on “Strengthening living conditions of vulnerable communities in regions of seasonal water shortage in South Eastern Haiti”. This mapping would allow for taking a holistic approach and for complementing the PPCR’s work on urban areas with other activities undertaken in the rural areas and existent needs. After project approval, GER kindly asks to present a map of other projects working in the rural areas and potential synergies towards the foreseen project’s interventions.</p>	<p>Thank you very much. Excellent proposal. The team is very eager to learn from other projects, even other regions of Haiti that are not directly associated with the project, such as the quoted project in South Eastern Haiti on strengthening the living conditions of vulnerable communities in regions of seasonal water shortage. The team is available to undertake a mapping of projects in rural areas (in particular in the North Department) that have synergies and relevant connection with the MDUR project, including an overview projects operating in rural areas associated with the areas of project intervention. This also includes learning from other PPCR projects in Haiti, and this could also be done as part of the annual M&E meetings on progress on Haiti's PPCR program</p>
<p>Germany welcomes the project’s foreseen activities on undertaking risk assessments and respective planning at sub-national level, e.g. development of risk frameworks at municipal level or of a comprehensive risk management plan for the river basin Rivière Haut du Cap. Germany encourages to strongly align these planning processes to the national level and the respective national contingency plan for Haiti, as Haiti is a policy holder of the CCRIF, the Caribbean Catastrophe Risk Insurance Facility, who receives, in an event of loss, payouts from CCRIF whose use of resources are pre-determined in its contingency plan, as in the case of Hurricane Matthew. Hence, the membership of Haiti in CCRIF has also crucial linkages to the project’s component 3 that have to be considered within the project’s design and implementation. In this regard, Germany further recommends examining synergies and potential co-benefits to the German Red Cross’ and World Food Program’s (WFP) work undertaken on forecast-based financing. Forecast-based financing is an innovative approach using the scientific data to indicate elevated risks and then release humanitarian funding for actions before a potential disaster. The German Red Cross and the</p>	<p>Risk assessments and resilient planning processes that will be undertaken at the municipal level will be closely aligned with the national system for disaster risk management, the relevant sectorial strategies at the national and deconcentrated levels, and with the municipal civil protection entities in each targeted municipality.</p> <p>Haiti has benefitted from CCRIF insurance since 2007, with coverage for hurricane and earthquake hazard. CCRIF functions as a joint reserve mechanism and enhances its members' fiscal resilience to disasters triggered by natural events by providing a policy payout (in cash; within two weeks) in the event of a hurricane or earthquake of sufficient impact to reach pre-agreed fiscal trigger levels. The use of the payout funds is not tied to any pre-established list of activities or contingency plan and is of free use by the Government. In the case of hurricane Matthew, the CCRIF had requested from Government to report on the use of payout funds for information purposes. Emergency activities potentially financed through Component 3 will be coordinated by Government to complement other response activities financed by other sources, including CCRIF payouts. The Bank team</p>

<p>WFP currently test this approach in Haiti as a high risk country.</p>	<p>will explore synergies with the German Red Cross' and World Food Program's (WFP) work undertaken on forecast-based financing to support the GoH in enhancing emergency response activities, potentially financed under Component 3 if a disaster occurs.</p>
<p>Regarding the project's sub component 1.1 Germany kindly asks to outline exactly the fund allocation based on a population-based formula. Germany encourages organizing the fund allocation according to a strong focus on the poor and vulnerable target group as a complementary criteria to the envisaged performance criteria.</p>	<p>The population formula is presented in the Annex 1 of the Project Appraisal Document with details in the footnote. Given the lack of detailed poverty data in Haiti, the Government and the Bank team agreed that the best proxy indicator for service demand is population (in this case urban population). At the same time, certain urban centers (such as Limonade) is much larger than the other 4 benefitting from the grants. Therefore, it was agreed to have a share split between population based distribution and equal share, to avoid having to large differences between the funds available per commune.</p> <p>Detailed explanation in the footnote which is quoted in full below:</p> <p><i>The core allocation for the first phase will be 50% of the total allocation; the remainder will be based equally on the urban and total population numbers respectively. The adjusted formula takes into account that in the national classification, some municipalities (e.g Quartier Morin) have relatively small 'urban population' and therefore would receive lower share of grants than municipalities with larger urban populations (for example Limonade), even though Quartier Morin is a municipality that is largely affected by the rapid expansion of Cap-Haitian. Hence, the principle of equity has also been taken into account.</i></p> <p>With regards to using poverty and vulnerability as additional target criteria, we welcome the proposal and these are elements that will be further explored and clarified in the operational manual for the project. However, the processes for selection of sub projects requires participation and involvement of vulnerable and</p>

	<p>marginalized groups, including persons with disabilities.</p>
<p>Germany kindly asks to outline with regard to the project's component 2.1 which concrete combinations of green and grey infrastructure are foreseen and how the approach of ecosystem-based adaptation is feeding into the project design and implementation.</p>	<p>Thank you. With regards to the interventions in the ravines in sub component 2.1, the projects envisage a set of structural and nonstructural interventions:</p> <ol style="list-style-type: none"> 1. emergency and non-regrettable works in critical points already pre-identified, such as stabilization of banks and construction of retaining walls; 2. sediment canal cleaning to restore the full capacity of the ravines, and 3. structural measures to control sedimentation, such as the construction and / or rehabilitation of thresholds to reduce the velocity of runoff, etc. <p>Finally, non-structural erosion reduction measures, such as community awareness and campaign, as well as green infrastructure and small agro-business activities, will be piloted in the upper watershed of the ravines to reduce erosion and making the structural intervention more sustainable</p>
<p>As the project also foresees resettlement activities, Germany would be very interested in the outcomes of the mentioned resettlement consultations and the Resettlement Action Plan that have been undertaken, as this is a highly sensitive process, whose lessons learned and insights will be helpful for further project designs in the future.</p>	<p>Thank you. The team will be happy to share with the CIF Sub Committee members the final draft Resettlement Action Plan when it is completed, expected in November 2017. We will also seek to draw and share lessons that can be used for future project designs.</p>
<p>Germany welcomes that the project's comprehensive results framework makes clear reference to the PPCR indicators. However, for getting more insights on potential transformative change, Germany kindly asks to include one indicator on the percentage of administrative staff at municipal level reporting improved capacities and higher awareness for climate and</p>	<p>An indicator on technical training received by municipal staff will be included in the Project, which will also cover climate change and disaster risk management aspects.</p> <p>An indicator on "percentage of beneficiaries who report satisfaction with project interventions" is included in the results framework. For easier</p>

<p>disaster risks management. As the project also foresees cleaning and dredging activities in the river basin, Germany kindly asks to include one indicator on the project areas' residents' improved awareness on pollution and waste management</p>	<p>monitoring purposes, the Project would be able to track "percentage of beneficiaries who report satisfaction on dredging and cleaning activities financed by the project".</p> <p>The project does not finance waste management activities per se (only sediment management), so this will not be tracked but can be covered in the citizen satisfaction survey that will be covered under the project.</p>
<p>Indicator on technical training received by municipal staff: The proposed indicator goes one step further, as it tries to capture, at the results-level, the self-assessment of improved capacities. Only from the fact of having received training, however, no direct conclusion can be made on having improved capacities. If possible, GER would very much welcome to reformulate the indicator according to the proposed result-based one</p> <p>So this will not be tracked but can be covered in the citizen satisfaction survey that will be covered under the project.": Thank you, this is very much welcomed, as Germany sees in the higher awareness for pollution related issues among the urban population one key factor for ensuring sustainability of the envisaged cleaning interventions.</p>	<p>Thank you for the proposal. The best indicator for the improved capacity of municipal staff is if their municipality can start receiving and manage funds directly under under Phase 2. They will only be able to do so if their staff are showing sufficient capacity across a host of different areas, including but not limited to financial management and procurement, urban planning, administrative management, etc. The performance of the municipality will be measured through an independent assessment undertaken at the Midterm Review (with indicators defined in the operational manual of the project) on the basis of which it will be determined if a municipality is eligible to receive funds directly.</p> <p>In addition to this, each municipality will be working on the basis of a Capacity Building Plan with specific targets and results, reflecting how the training and capacity building received will help support and accelerate the performance of the municipality.</p> <p>Secondly, the key indicators such as capacity to deliver local development plans, deliver financial reports, and execute urban development plans are all related to the application of capacity building received.</p> <p>The tracking of progress on implementation of this plan will be done as part of the project M&E.</p>

	OK, thank you very much for your second comment.
Germany encourages linking the assessed results under the outlined results framework to their potential contribution to the SDGs, if project resources allow for that.	Thank you. The project results framework is aligned with the national PPCR results framework Government of Haiti, which is also aligned with the SDGs. As part of the M&E of the project, the team will encourage the PIUs to continuously share the M&E reports with relevant national bodies monitoring Haiti's progress on the SDGs, including the Ministry of Planning and the Prime Minister's Office.