Office of Evaluation and Oversight

Approach Paper

Evaluation of IDB's Grant Facility for Haiti

IDB | IDB Invest

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CONTENTS

ACRONYMS

ADB	Asian Development Bank
AfDB	African Development Bank
CPE	Country program evaluation
CPI	The Corruption Perception Index
DAC	Development Assistance Committee
DSF	Debt Sustainability Framework
FSI	Fragile States Index
FSO	Fund for Special Operations
GDP	Gross domestic product
GRF	Grant Facility
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement
IDB	Inter-American Development Bank
IDB-9	IDB's Ninth Capital Increase
IIC	Inter-American Investment Corporation (now IDB Invest)
IMF	International Monetary Fund
INL	Investment Loan
LAC	Latin America and the Caribbean
MDB	Multilateral development banks
MINUSTAH	United Nations Stabilization Mission in Haiti
OC	Ordinary Capital
OECD	Organization for Economic Co-operation and Development
OMJ	Opportunities for the Majority
OVE	Office of Evaluation and Oversight
PBA	Performance-Based Allocation
PBL	Programmatic Policy-based Loan
SCF	Department of Structured and Corporate Finance
TC	Technical cooperation
UN	United Nations

I. Background

1.1 This document defines the approach of the Office of Evaluation and Oversight (OVE) to evaluate the Grant Facility (GRF) for Haiti. It outlines the evaluation´s objectives, scope, evaluation questions, and methodology that OVE will apply to conduct the evaluation. OVE included this corporate evaluation in its 2020-2021 work program at the IDB and IDB Invest Boards' request. It focuses on the ten years of Inter-American Development Bank (IDB) Group activity in Haiti using GRF resources, from January 1st, 2011 –the start of IDB's formal commitment to transfer US$200 million per year to the GRF earmarked for Haiti-- to December 31st, 2020.

A. IDB grant facility for Haiti

1.2 **The Board of Governors established the Grant Facility in 2007 to implement the Bank's debt relief commitments to Haiti in the context of the E-HIPC and MDRI initiatives.** In 2007 IDB granted 100% debt relief to Haiti on the Fund for Special Operations (FSO) loan balances outstanding as of December 31st, 2004.[1] This decision meant the cancellation of approximately US$423 million in principal payments and US$102 million in interest payments once the country would reach the Completion Point under the E-HIPC Initiative.[2,3] Before reaching that stage, Haiti was eligible to receive US$50 million in annual grants from 2007 through 2009. IDB's Grant Facility (GRF) was thus created to provide such grant resources to Haiti for the 2007-2009 period, though its objective was defined in much broader terms as to "*make grants appropriate for dealing with special circumstances arising in specific countries or with respect to specific projects under the terms and conditions as the Board of Executive Directors shall determine*."[4] As such, the GRF is an account, a notional financing window for IDB projects that does not have separate management or governance arrangements. The GRF started with an initial transfer of US$50 million from FSO resources. After 2009, the expectation was that Haiti would be eligible for a mix of grants and FSO loans, with a maximum allocation of US$20 million in grants and US$20 million in FSO loans a year based on the Debt Sustainability Framework (DSF) and the Performance-Based Allocation (PBA) system.[5] Haiti reached the Completion Point in 2009 after having made satisfactory progress on the reform agenda agreed upon at the Decision Point.

1.3 **In the aftermath of the 2010 earthquake, the Board of Governors approved an unprecedented package of long-term financial measures to further support Haiti, building on previous debt relief initiatives.** As part of IDB's Ninth Capital

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1 Four other countries also received 100% debt relief: Bolivia, Guyana, Honduras, and Nicaragua. Document CA-474-2, December 2006.

2 Access to E-HPIC was a 2-stage process: (i) *decision point*, when the country committed to certain reforms and to develop and implement a poverty reduction strategy. At this stage, the amount of debt relief was calculated, and countries began receiving some debt relief; (ii) *completion point*, when a country successfully completed the agreed reforms and accessed the bulk of debt relief without further policy conditions.

3 These figures are based on June 30, 2006 exchange rates and thus may change based on the exchange rates at the date of debt cancellation, given that the Bank would be relieving the debt service amounts in each currency as they came due.

4 Document AB-2565, May 2007.

5 Total allocation of concessional resources under the DSF/PBA system is defined by a combination of country needs and performance. This determines the allocation of FSO resources (first step); and the risk of debt distress, which defines the appropriate blend of Ordinary Capital (OC) resources (second step). The DSF/PBA aims to ensure a link between concessional resource allocation and absorption capacity, while preserving debt sustainability. Document GN-2442, February 2007.

Increase (IDB-9), the Board of Governors decided to: (i) forgive all of Haiti's debt up to that date –December 31st, 2010, (US$479 million); (ii) convert all undisbursed loan balances of FSO-financed loans into grants (US$144 million); and (iii) extend and transfer to the GRF US$200 million of Ordinary Capital (OC) income for Haiti for the next ten years, subject to annual approval of the Board of Governors. The World Bank (WB) followed suit and canceled Haiti's remaining debt and committed to provide a significant package of grant financing (US$479 million of which US$250 was new funding). The International Monetary Fund (IMF) extended a credit facility for US$60 million over three years and provided US$268 million in debt relief to the country.

1.4 **Half-way through implementation, large undisbursed balances had accumulated in the GRF, leading IDB Governors to modify the way resources were allocated**[6] **for Haiti.** Governors had authorized the transfer of a total of US$1 billion to the GRF for Haiti during the period of 2011-2015. By the end of 2015, only 46% had been disbursed (US$461 million). To avoid further accumulation of unallocated resources in the GRF, Governors decided that going forward, Management would "*present to the Board of Governors proposals for additional transfers of OC income to the Facility up to a total amount not to exceed $1,000,000,000, over a time period and in amounts consistent with the disbursement needs of the Bank's operations with Haiti*." With this adjustment, commitment of the US$2 billion stipulated under IDB-9 is likely to occur by 2022. Finally, the Bank is currently considering an update to the existing concessional framework that will have important implications for Haiti.~~[7]~~

B. Country context

1.5 **Haiti is considered among the most fragile states in the world**. The first country in the world to banish slavery and the second to become independent in the Americas, Haiti has, however, been consistently ranked among the most fragile states in the world. According to the Fragile States Index (FSI)[8] Haiti is among the top 15 fragile states globally; in addition, the 2020 Organization for Economic Co-operation and Development's (OECD) States of Fragility report[9] classified Haiti as part of 13 extremely fragile contexts,[10] among 57 fragile contexts assessed. These measures point to the severe structural limitations that hinder the country´s path to development.[11] The causes underlying Haiti's fragility are economic, socio-political, and institutional, but also related to security, climate change, and public health. As shown in Table 1.1, shocks in all these areas have affected the country through the years, sometimes concurrently.

6 In accordance with the recommendation contained in document CA-562 and the approval of Resolution AG-5/16.

8 The FSI is an annual index and report developed by the Fund for Peace think tank. The FSI aims to estimate States´ proneness to conflict, making political risk assessments and early warnings of conflict accessible to policymakers and the public. It is based on twelve indicators of state vulnerability grouped into four dimensions (Cohesion, Economic, Political and Social). The FSI is considered one of the most easily accessible and most commonly used framework to assess a country´s fragility as it combines a multitude of variables on several dimensions, is publicly available, and has been calculated since 2005 (Commission on State Fragility, Growth and Development, LSE, Oxford, International Growth Centre).

9 OECD (2020), States of Fragility 2020, OECD Publishing, Paris, https://doi.org/10.1787/ba7c22e7-en.

10 The remaining extremely fragile contexts are Yemen, South Sudan, Somalia, Central African Republic, Democratic Republic of the Congo, Syria, Chad, Afghanistan, Burundi, Iraq, Sudan, and Congo.

11 Fund for Peace (2020). Fragile States Index. Annual Report 2020.

Table 1.1. Timeline of critical years and major events in Haiti's recent history

Critical Years	Natural Disasters & Public Health Crises	Civil Society and Public Order	Political and Economic Situation
2008	- Four consecutive hurricanes hit Haiti; most harvests are wiped out.	- A major increase in food prices causes hunger and riots. - Wave of kidnappings-for-ransom intensifies. - United Nations (UN) increases MINUSTAH.	- Prime Minister (PM) Alexis is removed. - Five months elapsed for new government to be formed. - PM Pierre-Louis (who succeeded PM Alexis) is dismissed 15 months later.
2010	- A 7.3 earthquake hits in January. - Cholera breaks out in October, affecting 7% of the population. - Hurricane Thomas hits, worsening earthquake refugees' living conditions.	- MINUSTAH (police and military) increases after earthquake. - Popular anger and civil unrest grow over slow response to earthquake and cholera outbreak. - Reports of arms distribution in advance of elections. - Inconclusive presidential election triggers violent protests.	- International economic recession reduces demand for Haiti's exports and the flow of remittances. - Tense presidential and parliamentary elections take place with inconclusive results for president.
2012	- Tropical Storm Isaac hits the Southern Peninsula. - Hurricane Sandy hits same area leaving more than 20K people homeless, damaging crops and exacerbating cholera epidemic.	- Security situation improves - UN reduces scope of MINUSTAH from end of 2011. - Protests calling for the president's resignation erupt fueled by high cost of living and failure to alleviate poverty.	- Martelly wins presidential election in second round (low 22.5% turnout). - President Martelly proposes reviving Haiti's army but the proposal is dismissed. - PM Lamothe appointed (resigns in 2014).
2016	- Third consecutive year of droughts (2013-2015) exacerbated by El Niño affects 1 million, doubling the number of people facing crisis-level food insecurity. - Hurricane Matthew, the strongest to hit the region in a decade, makes landfall in southwestern Haiti, hampering food production, creating new humanitarian crisis.	- UN continues to reduce MINUSTAH's military presence.	- President Martelly ends his term without handing over power after run-off presidential election is postponed indefinitely. - Parliament appoints Prevert as interim president. - In November, Moise wins presidential election (low 21% turnout) - Political instability grows given continuous suspension of electoral rounds.
2018-2020	- First case of COVID-19 identified in March 2020. - COVID measures implemented.	- Civil unrest in 2018 shuts down most economic activity several times; continues through the period given political situation and increase in kidnappings. - Nationwide anticorruption protests leading to *peyi-lok* (country lockdown) in 2019. - MINUSTAH becomes MINUJUSTH, a UN mission with no military component, then the UN Integrated Office in Haiti (BINOH).	- President Moise's Parliament mandate expires in Jan 2020 – President rules by decree. - President Moise calls for a constitutional referendum to be held in April 2021. - Presidential and Parliamentary elections scheduled for Sept. 2021. Economic impact of COVID estimated to result in a contraction of gross domestic product (GDP) by 5.4% in FY2020. - In 2020, fiscal deficit reached 8.4% of GDP, inflation 25%.

Source: OVE from BBC Haiti profile – Timeline (1492-2019), L'EXPRESS Chronologie de Haïti (1492-2011), UN Security Council Report Chronology of Events – Haiti (1990-2020), MINUSTAH Fact Sheet United Nations Stabilization Mission in Haiti (2004-2017), and UN Office for the Coordination of Humanitarian Affairs - Natural Disasters in Latin America and the Caribbean (2000-2019).

1.6 **Haiti's economic performance has been affected by a climate of political and social instability, among other factors.** The country has experienced periods of economic growth, but they have generally been short-lived and with limited impact on the living conditions of most Haitians.[12] In parallel and despite some periods of relative stability, civil unrest and violent protests have occurred regularly, revealing profound cracks in the social contract between a state struggling to perform key functions and provide basic services, and a society where the majority is beset by extreme poverty. Although there has been no coup since 2004, political instability has plagued the country for years, making it much harder to tackle the many problems affecting the country.

1.7 **Weak public institutions and governance, high perception of corruption, and human rights violations are contributing factors to Haiti's fragility.** Haiti ranked 139 (out of 141) in terms of the quality of its institutions according to the 2019 Global Competitiveness Report. Over the last two decades, Haiti has been rated in the bottom 20% in terms of government effectiveness, regulatory quality, rule of law, and control of corruption.[13] Haiti is also perceived as the second most corrupt country in the western hemisphere and ranks 168 (out of 198) worldwide.[14] Human rights abuses include cases of summary executions, excessive use of force by police and arbitrary detentions with limited accountability and a severely overcrowded prison system with inhumane conditions. In addition, gender violence is a major problem, and there are high levels of discrimination based on sexual orientation and gender identity.[15]

1.8 **Vulnerability to climate change and natural disasters further exacerbates Haiti´s fragility**. Haiti ranks among the top three countries in the world most affected by the impacts of weather-related loss events in the 1999-2018 period.[16] Not only is Haiti highly exposed and sensitive to climate change and natural disasters, it is also poorly prepared to respond from an economic, social, and governance perspective, as suggested by its 178th position (out of 192) in the ND-GAIN Country Readiness Index.[17] The impacts of climate change events are aggravated by the effects of environmental degradation. Widespread deforestation has left the country with less

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12 Haiti is among the most unequal countries in the world. According to the latest data, more than 20% of the national income goes to 1% of the population while nearly half (48%) goes to 10% of the population. Fifty percent of the population gets only 12.7% of the national income. World Inequality Database 2018.

13 The Worldwide Governance Indicators (WGI) produced by the Natural Resource Governance Institute and the Brookings Institutions, report aggregate and individual governance indicators for over 200 countries and territories for six dimensions of governance: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. Percentile ranks among countries range from 0 (lowest) to 100 (highest).

14 Transparency International. The Corruption Perception Index (CPI) ranks countries/territories based on how corrupt their public sector is perceived to be by experts and business executives. The CPI is the most widely used indicator of corruption worldwide.

15 Human Rights Watch, World Report 2020, Haiti.

16 Eckstein, D.; Künzel V., Schäfer, L. and Winges, M. (2019). Global Climate Risk Index 2020. Who suffers most from extreme weather events? Weather-related Loss Events in 2018 and 1999 to 2018. Briefing Paper. Germanwatch.

17 The ND-GAIN Country Index, a project of the University of Notre Dame Global Adaptation Initiative (ND-GAIN) summarizes a country's vulnerability to climate change and other global challenges (ND-GAIN Country Vulnerability Index) in combination with its readiness to improve resilience (ND-GAIN Country Readiness Index).

than 1% of its original primary forest cover, leading to biodiversity loss, high rates of soil erosion, landslides, and flooding, among other problems.[18]

1.9 **Haiti has some opportunities for growth and recovery that have yet to be fully tapped.** Under HOPE --the Haitian Hemispheric Opportunity through Partnership Encouragement-- approved by the US Congress in 2007 and its expanded version HOPEII from 2008, certain Haitian manufactured textiles and apparel goods can enter the US free of duty. In 2020, the Haiti Economic Lift Program (HELP) gave duty-free treatment to imports of additional textile and apparel products from Haiti. These preferences represent an opportunity that is available until 2025. In addition, Haiti has a strong and active diaspora as evidenced by the magnitude of remittances the country receives every year. World Bank estimates show that in 2019, remittances represented 22.8% of Haiti's GDP,[19] close to double its total export earnings, and higher than Haiti's total foreign aid. Finally, Haiti has a young -though unskilled- labor force that could be harnessed to support economic recovery in certain key sectors.

1.10 **The evaluation period was marked by the devastating impacts of the 2010 earthquake followed by the cholera epidemic, and the path towards recovery impeded by the occurrence of Hurricane Matthew in 2016.** The earthquake that struck the country in January 2010 left between 160,000 and 316,000 dead or missing,[20] 300,000 injured, and 1.3 million homeless.[21] It is considered the most destructive natural disaster ever experienced by any country when measured in terms of the number of people killed as a share of its total population.[22] In October of the same year, a cholera epidemic broke out claiming the lives of almost 10,000 people. Aggravating the chronic humanitarian crisis, Hurricane Matthew hit the country in 2016, leaving about 1.4 million people in need of assistance, up to 100% of crops and livestock lost in some areas, and a total estimated monetary damage of about US$2.9 billion (33% of GDP in 2015).[23] Human Rights Watch estimates that over 140,000 families displaced by Hurricane Matthew in 2016 still need decent shelter and that nearly 33,000 people still live in displacement camps as a result of the 2010 earthquake.[24]

1.11 **Driven by reconstruction efforts, economic activity showed dynamism in the first years after the earthquake. However, economic growth has slowed down**

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18 S. Blair Hedges, Warren B. Cohen, Joel Timyan and Zhiqiang Yang (2018). Haiti's biodiversity threatened by nearly complete loss of primary forest. Proceedings of the National Academy of Sciences Nov 2018, 115 (46) 11850-11855; DOI: 10.1073/pnas.1809753115

19 World Bank staff estimates based on IMF balance of payments data, and World Bank and OECD GDP estimates. Accessed 17 March 2021,

20 There is no agreement on the final toll in terms of lives lost. A study by the University of Minnesota made within six weeks of the earthquake estimated 160,000 dead or missing (https://doi.org/10.1080/13623699.2010.535279), while in 2011 Haiti's Prime Minister asserted that the toll had reached 316,000.

21 Government of the Republic of Haiti (2010). Action Plan for National Recovery and Development of Haiti, Port-au-Prince.

22 The earthquake had a magnitude of 7.3 on the Richter scale, the most powerful to hit the country in 200 years. Overall losses and damages were calculated at a lower-bound level of US$8.1 billion, equivalent to about 120% of Haiti´s GDP of 2009. Cavallo, E.; Powell, A. and Becerra, O. (2010). Estimating the Direct Economic Damage of the Earthquake in Haiti. IDB Working Paper Series No. IDB-WP-163, February 2010.

23 Food and Agriculture Organization (2016). Post Disaster Needs Assessment and Haiti Emergency Response Plan (March-May 2019).

24 Human Rights Watch, World Report 2021, Haiti.

since 2015. Following a decline of 3.1% in 2010, Haiti´s GDP growth rebounded to 5.5% in 2011 and averaged 3.3% between 2012 and 2014, powered by an increase in capital investment due to the inflow of external assistance. However, the economic environment deteriorated since 2015, and the annual GDP growth averaged 0.9% in the 2015-2019 period[25] given the progressive slowdown in donor assistance. In addition, the agricultural sector, which accounts for about 20% of GDP and employs 50% of the labor force, lost up to 70% of local production because of the 2015-2016 drought.[26] Moreover, the decrease in donor support and the end of the Petrocaribe agreement,[27] together with low levels of domestic revenue mobilization, revealed Haiti´s fiscal fragilities. Faced with rigid expenditures, the fiscal deficit reached 2.4% of GDP in 2019. The monetization of the deficit by the Central Bank led to a sharp devaluation of the national currency and a rise in import prices. As a result, inflation, which had been rising since 2016[28] amid domestic food supply shortages averaged 17.3% in 2019,[29] the highest since 2004. In addition, currency depreciation increased the gross public debt,[30] which reached 47% of GDP in 2019, above pre-debt-relief (E-HIPC/MDRI) levels.

1.12 **Haiti is still affected by widespread poverty and food insecurity.** Half of the population was estimated to be living under US$3.20 a day and 23.8% under US$1.90 a day.[31] Poverty disproportionately affects rural households, since more than 80% of the extreme poor reside in rural areas.[32] Self-employment in low productivity sectors (commerce and construction) is the norm outside the agriculture sector. Even though most of the poor work (70% of heads of poor households), the low quality of employment means that earnings are insufficient and thus, having a job does not guarantee escaping from poverty.[33] Close to a third of Haitians (3.7 million) faced severe or acute food insecurity and needed urgent food assistance in the last quarter of 2019,[34] of whom 2.8 million live in rural

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25 World Bank Development Indicators.

26 OCHA (2016). Humanitarian Bulletin Haiti – Issue 62, June 2016.

27 In accordance with the Petrocaribe agreement between Venezuela and Haiti of 2007, Venezuela supplied fuel to Haiti with concessional financing for a portion of the imports. The Haitian government used the proceeds from domestic fuel sales to finance investments and social programs. The agreement ended in April 2018.

28 Between 2011 and 2015 annual average inflation was 6.5%, compared to 14.6% between 2016 and 2019.

29 IMF World Economic Outlook database.

30 Debt has increased steadily since the HIPC/MDRI debt relief initiatives, mostly driven by the PetroCaribe agreement with Venezuela on the external side, and by unremunerated advances from the Central Bank on the domestic side. External public debt accounts for 58.2% of total outstanding public debt and is subject to exchange rate effects. 86% of the external public debt arises from oil imports financed by Venezuela's Petrocaribe arrangement. The remainder is largely concessional debt from multilateral creditors, including the International Fund for Agricultural Development (IFAD) and the IMF (IMF, Staff Report for the 2019 Article IV Consultation—Debt Sustainability Analysis, p.2 and 3).

31 Based on World Bank Development Indicators, Poverty headcount ratio at US$3.20 and US$1.90 a day (2011 PPP) (% of population). Latest data available from 2012.

32 World Bank (2014). Poverty and inclusion in Haiti: social gains at timid pace (English). Washington, D.C., World Bank Group.

33 Scot, T.; Rodella, A-S (2016) Sifting through the Data: Labor Markets in Haiti through a Turbulent Decade (2001-2012). Policy Research Working Paper; No. 7562. World Bank, Washington, DC. © World Bank.

34 Food Security Information Network (2020). Global Report on Food Crises. Joint analysis for better decisions.

areas.[35, 36] Almost 1 in 4 children under 5 years are stunted and about half are anemic; only a quarter of children between 6 and 23 months meet the minimum dietary diversity requirements.[37]

1.13 **Although Haiti has made some gains in the provision of basic services, they have been insufficient to positively impact the well-being of the vast majority of its 11.4 million population.[38]** After a nine year-long cholera outbreak, the country reached one year-free of confirmed cases in January 2020.[39] Cholera remains a public health concern though, since over 34% of Haitians still lacked access to clean drinking water and 65% to sanitation services in 2017, despite some improvements.[40] The situation among the rural population is worse.[41] Electricity coverage has improved in urban areas, from 66% of the population in 2009 to 80% in 2017. However, it is only 3% in rural areas, where it has decreased from 12% in 2009. Literacy rates have registered progress, reaching 83.4% and 82.6% in 2016 among male and female youth (15-24 years) respectively, compared to 74.4% and 70.5% in 2006.[42] Enrollment in primary school has improved over the last two decades, from 50-60%[43] in the early 2000s to about 84% in 2016-2017, but dropout is high and the completion rate is 54%.[44] Given that four out of five primary schools are non-public, attendance remains out of reach for many families, especially those living in rural areas.[45] Finally, as suggested by the UHC Service Coverage Index,[46] Haiti faces difficulties in coverage of essential health services, with a score of 49 (on a scale of 0-100) in 2017, far below the Latin America and Caribbean (LAC) average (79). An important barrier to access health care are service costs; about 93% of facilities charge user fees and 58% of families report not seeking medical care due to high treatment costs.[47, 48]

1.14 **The political scenario was marred by controversy during the evaluation period.** Following the attempt to remove fuel-price subsidies in mid-2018, the

[35] Food and Agriculture Organization (2020). Haiti response overview, January 2020.

[36] Haiti imports about 60% of the food that consumes, compared with about 19% in the 1980´s decade. Imports rise to 80% in the case of rice and to 100% of wheat (which account for 1/3 of the caloric intake of the population). Such dependence makes the country highly sensitive to international price shocks (Food and Agriculture Organization. Food and Nutrition Security in Haiti. Issue Brief #14, February 2015)

[37] Food Security Information Network (2020). Global Report on Food Crises. Joint analysis for better decisions.

[38] United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website.

[39] PAHO/WHO (2020). Haiti reaches one-year free of Cholera. Press release.

[40] In 2009 for example, 38% of the population lacked access to clean water and 74% to sanitation.

[41] In 2017, 57% of the rural population lacked access to clean drinking water and 76% to sanitation services.

[42] Based on World Bank Development Indicators (Literacy rate as % of male/female ages 15-24).

[43] Adelman, M. A. and Holland P. A. (2015). Increasing Access by Waiving Tuition. Policy Research Working Paper 7175, The World Bank.

[44] Based on UNICEF Data Warehouse

[45] World Bank (2017). Improving Access to Education for the Poor in Haiti. Website article.

[46] Hogan et al. An index of the coverage of essential health services for monitoring UHC within the SDGs, Lancet Global Health 2017.

[47] World Bank (n.d.). Moving toward UHC Haiti. National initiatives, key challenges, and the role of collaborative activities

[48] Food Security Information Network (2020). Global Report on Food Crises. Joint analysis for better decisions.

administration of President Moïse (in office since February 2017[49]) has been marked by social outbreaks and anti-government protests. Mass demonstrations calling for the President´s resignation grew in 2019 amid popular discontent over high inflation levels and allegations of mismanagement of public funds. The failure to hold presidential and parliamentary elections in October 2019 resulted in the legislature's mandate expiring in January 2020 without a succeeding parliament, leading to political deadlock and to the president ruling by decree.[50]

1.15 **The coronavirus pandemic poses additional severe challenges.** The government has taken measures to curb the spread by reducing working hours, closing the Haitian-Dominican borders, limiting access to markets, and restricting travel to selected cities. Since the peak in June 2020, the number of new cases has gone down; however, GDP is estimated to have contracted by about 5.4% in the fiscal year 2019/2020 due to a sharp fall in investment and consumption, while the fiscal deficit reached 8.4% of GDP. Inflation, one of the main causes of social discontent in recent years, reached 25% in September 2020 due to disruptions in logistics chains affecting food and medical domestic supply and continued monetary financing of the fiscal deficit by the Central Bank.[51] In such a context and given the structural weaknesses of the public health system and the vulnerability of much of the population, the pandemic is likely to exacerbate the political, economic, and social crisis and further destabilize the country.[52] Already income sources and food security have been negatively impacted.[53]

II. IDB GROUP´S PROGRAM

A. The IDB Group's program with Haiti 2011-2020 and the use of GRF resources

2.1 **In the aftermath of Haiti's earthquake, IDB's Board of Governors decided to use the GRF to finance Haiti's program through grants for ten years starting in 2011.** The decision was taken as part of the IDB-9 replenishment and involved transferring US$200 million per year from Ordinary Capital income to the GRF earmarked for Haiti until 2020, subject to the Governors' annual approval. The purpose of using GRF resources was broadly defined in terms of providing "continued support for Haiti's reconstruction and development."[54] The Country Strategies with Haiti approved since then sought to better define the strategic objectives of IDB's program and of the use of GRF resources to finance it.

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49 In 2015, former president Martelly was unable to organize parliamentary and presidential elections for an organized transfer of power. He left power to a provisional government in February 2016, under pressure from civic and international organizations. General elections were held on November 2016 and only 21% of the five million eligible voters went to the polls. Jovenel Moïse won by a margin of 55%. (BTI, 2020. Haiti Country Report).

50 UN (2020). Breaking Political Deadlock Key to Ending Haiti's Paralysis as Economic, Insecurity Woes Bite, Special Representative Tells Security Council. February 2020 & CRS (2020). Haiti´s Political and Economic Conditions. Report, March 2020.

51 The Economist Intelligence Unit, Haiti country report 4th quarter 2020.

52 UN (2020). Haiti needs a strong COVID-19 response to maintain national stability. UN News, June 2020.

53 The Food Security Outlook Update indicates that to maintain their basic food consumption, poor and very poor households adopt stress coping strategies such as reducing the quantity and quality of food usually consumed, taking out credit, adults eating less so the children can eat, increasing the consumption of seeds and foods low in nutritional value, and increasing the sale of charcoal.

54 Paragraph 5.24, Report of the Ninth General Capital Increase in the Resources of the Inter-American Development Bank, document AB-2764, May 2010.

2.2 **Three broad streams of Bank engagement in Haiti emerge from the country strategies that were in place between 2011-2020: economic recovery; human development and access to basic services; and strengthening of state capacities.[55]** The Country Strategy 2007-2011 was structured around three key strategic objectives: (i) strengthening the underlying foundation for economic recovery; (ii) improving access to and coverage of basic services; and (iii) strengthening governance and building the institutional capacity of the GOH. While the strategy was updated in mid-2010 following the earthquake, the update kept most sector priorities as in the original one, though the strategic objective related to building the GOH's capacity and governance was narrowed down to strengthening the transport and education ministries. The CS 2011-2015 was organized by sectors rather than by strategic objectives. Despite the change in structure, the new strategy gave continuity to the sectors prioritized by the previous one: agriculture, education, energy, private sector development, water and sanitation, and transport. Institutional strengthening was focused again on a few sectors (TSP, EDU, WSA). Finally, the CS 2017-2021 restructured the program under three main strategic areas or pillars to attempt a more focused approach: (i) improve business climate to enhance productivity; (ii) render key services more accessible to enhance human development; and (iii) strengthen government capacities to increase fiscal sustainability. Based on the Country Strategies, OVE derived three broad streams of IDBG engagement in Haiti for the past ten years, which together with their underlying objectives are presented in Table 2.1. OVE will integrate these objectives into its evaluation framework (Table 3.2).

Table 2.1. Bank engagement in Haiti for the past ten years and GRF strategic objectives

Stream of Bank engagement in Haiti	Strategic objectives underlying the use of GRF resources
Economic recovery	Increase productivity and private sector development
Human development and access to basic services	Increase access to and quality of basic services
Strengthening of government capacities	Increase government capacity to formulate and implement policies, and to deliver basic services

Source: OVE.

B. Program of operations financed with GRF resources

2.3 **During the 2011-2020 period the Bank approved a total of US$1.8 billion in grant resources for Haiti from the GRF (Table I.2, Annex I).[56]** The average GRF annual approvals of the post-earthquake period (2011-2020) equals US$177.3 million, which is three times the average annual approvals (US$57.3 million) of the pre-earthquake period (2007-2009).[57] In terms of instruments, 83% (US$1.6 billion) was channeled through 38 investment operations (INL), while the remaining 17% (US$153 million) was channeled through eight Programmatic Policy-based operations (PBL).[58] Investment operations consisted mostly of individual projects, of which there were 29.

55 Table I.1 in Annex I presents the key strategic objectives of each of the three Country Strategies.

56 The portfolio presented in this document has a closing date of 31 December 2020.

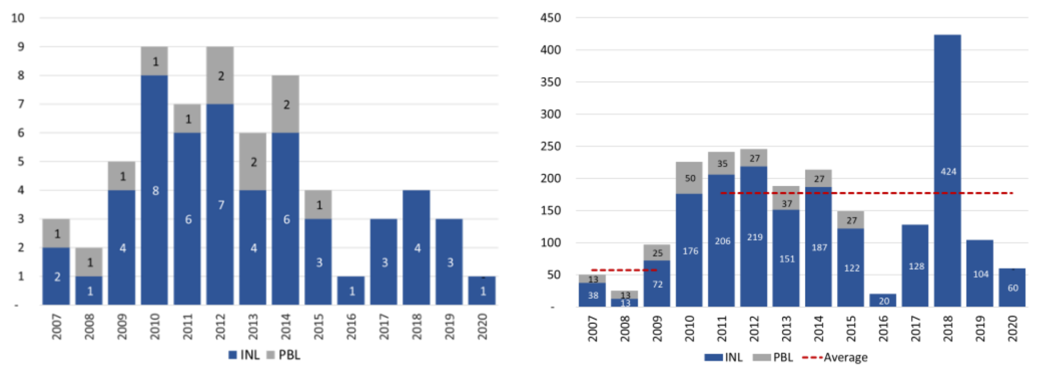
57 Between the establishment of the GRF in June 2007 and the end of 2009, the Bank approved US$172 million in grant resources for Haiti, through 10 operations. An additional 9 operations for US$226 million were approved in 2010.

58 While the GRF´s financing to Haiti is exclusively made of grants, the operations are treated as investment loans (INL) and policy-based loans (PBL).

However, within sectors such as transport, water and sanitation, urban development and education, several operations had a “programmatic” logic that included sequential operations associated with common objectives but prepared and approved with a certain degree of independence from the performance and disbursement of previous operations. Investment operations also included seven multiple works and two immediate response facilities in response to natural disasters.

Figure 2.1. IDB grant facility approvals

Approved operations (Nº, by instrument) *Original approved amounts (US$ millions, by instrument)*



Source: OVE calculations based on IDB Enterprise data warehouse.

2.4 **In terms of sectors, transport has consistently dominated GRF approvals during the 2011-2020 period with 35% (US$629.5 million) of total approved amounts.** Water and sanitation and environment, rural development and disaster risk management followed, representing 15% (US$274 million) and 13% (US$223 million) of the GRF approvals, respectively. Urban development and housing, education and energy accounted for approximately 7-8% of original approvals, each.[59]

2.5 **The GRF portfolio also includes grant operations approved before 2011, that is, before transfers to the GRF began in the context of implementing the decision under IDB-9 replenishment to channel US$2 billion in 10 years to finance Haiti’s program of operations (see Table I.3, Annex I).** Between the establishment of the GRF in 2007 and 2010, 19 operations were approved with GRF resources (15 INL and 4 PBL), for a total of US$398 million, with undisbursed balances of US$272 million as of the end of 2010. In addition, 17 FSO loans approved prior to 2007 that had undisbursed balances of US$144 million as of October 2010 were converted into grants financed by GRF also as part of IDB-9 replenishment.

2.6 **The non-GRF portfolio between 2011-2020 included technical cooperation and investment grant operations financed with other Bank resources and/or donor funds, as well as operations through the private sector windows (Tables I.4, I.5, I.6 Annex I).** Since 2011, the Bank has approved approximately US$61.5 million in SG technical cooperation (TC) operations, of which 60% were financed with donor funds and the remaining 40% with Ordinary Capital (OC) from the Bank. In addition, the Bank also mobilized US$145.8 million in donor funds during the period to complement GRF financing. Main donors included: the Haiti Reconstruction Fund (47%); the Global Agriculture and Food Security Program Trust (19%): the Co-financing Special Grants fund (13%); and Canadian funds

59 The remaining was distributed among 5five sectors: Social Investment, Reform/Modernization of the State, Trade, Sustainable Tourism and Private Firms & SME Development.

(11%).[60] With respect to the private sector windows, the IDB Group approved US$15.5 million in NSG operations from IDB,[61] US$31 million from IIC/IDB Invest,[62] and US$40.7 million from the MIF/BID Lab.

III. CONCEPTUAL FRAMEWORK

3.1 To assess the GRF, OVE reconstructed the theory of change underlying the program implemented by IDB Group between 2011 and 2020. Given Haiti´s condition as a fragile state, OVE also reviewed the existing literature and experience of development partners working on fragile states to draw a set of generally accepted principles that inform the evaluation.

A. Principles of engagement for working in fragile states and situations

3.2 **Given Haiti´s condition as a fragile state OVE has adopted a fragility lens to guide the evaluation**. Though there are many definitions of what fragility means and encompasses, most bilateral donors and multilateral institutions generally agree that fragility poses challenges to development that need to be tackled in a purposeful manner to manage risks and promote sustainable and equitable development. For purposes of this evaluation, OVE uses OECD's definition of fragility as "*a combination of exposure to risk and insufficient coping capacity of the state, system, and/or communities to manage, absorb or mitigate those risks*."[63] Under this definition, a state's weak capacity is not sufficient to determine fragility. Instead, fragility is the result of the combination of risks on the one hand (internal or external hazards, threats, and vulnerabilities) and coping capacities of the state and society, on the other (mechanisms to absorb, withstand or prevent shocks). Fragility is usually multidimensional (economic, environmental, political, security and societal) and these dimensions interact creating vicious circles that need to be understood in order to break out of them.[64]

3.3 **The search for ways to better address the needs of such fragile states dates to the early 2000s.** In 2001, the World Bank adopted its Operational Policy "Development and Conflict," later updated in 2014.[65] In 2005, the OECD Development Assistance Committee (DAC) proposed an initial set of principles to guide development interventions in countries "*where the state lacks either the will or the capacity to engage productively with their citizens to ensure security, safeguard*

60 The remaining 10% came from 17 other sources, including the Global Environment Facility Fund (FMM), the Multidonor Aquafund (MAF), the Strategic Climate Fund (SCX) and funds from France, South Korea, Japan, and Italy, among others.

61 Of the US$15.5 million, US$7 million were approved in the Department of Structured and Corporate Finance (SCF) and Opportunities for the Majority (OMJ) prior to the consolidation of the private sector windows of IDB Group into IDB Invest; and US$8.5 million were approved by IDB with resources from the Clean Technology Fund to complement IDB Invest operations.

62 In 2016, the IDB Group consolidated all of its private sector windows under the Inter-American Investment Corporation (IIC, now IDB Invest), which inherited the operations of the Department of Structured and Corporate Finance (SCF) and Opportunities for the Majority (OMJ).

63 OECD New Fragility Framework, 2016.

64 World Bank, World Development Report 2011.

65 The World Bank policy was based on the understanding that violent conflict "reverses the gains of development, thereby adversely affecting the Bank's core mission of poverty reduction" and that changing circumstances "may require the Bank to review the effectiveness of its risk management, macro-economic analysis, supervision, and monitoring and evaluation in relation to its portfolio."

human rights and provide the basic functions for development."[66] The principles were piloted in 9 countries, including Haiti, before the OECD-DAC proposed the 10 Principles for Good International Engagement in Fragile States. These principles were endorsed in 2007 by 29 donor countries, the European Union, and various Multilateral Development Banks (MDB) --including the IDB--.[67] They aimed to complement the commitments set out in the 2005 Paris Declaration on Aid Effectiveness, which recognized that principles of aid effectiveness were equally valid in fragile states but needed to be adapted to fragility contexts.[68] Building on the Fragile States Principles, a "New Deal for Engagement in Fragile States" was signed in 2011 by a group of 40 countries that included both donors and fragile states (including Haiti). The New Deal emphasized peacebuilding (social cohesion) and state-building as central objectives to achieve meaningful and sustainable results, and proposed new ways of working to support inclusive, country-led transitions out of fragility, including analytical work (assessments of the causes and features of fragility) and strong partnerships to achieve better development results.[69, 70]

3.4 **Several MDBs have integrated the OECD Fragile States Principles and the New Deal Framework in their approaches to fragile states, though not IDB.** The World Bank Group adopted a new Strategy for Fragility, Conflict and Violence (FCV) in 2020,[71] building on the experience gathered from its work in these settings since 2001.[72] The strategy was developed on the premise that operating in FCV settings required a differentiated approach and could not be business as usual.[73] The FCV strategy incorporates elements of both the OECD Fragile States Principles and the New Deal. For its part, the Asian Development Bank (ADB) has an "Operational Plan for Enhancing ADB'S Effectiveness in Fragile and Conflict-Affected Situations" since 2013. ADB´s Plan is based on a differentiated approach tailored to the specific problems and circumstances of fragility and conflict-afflicted situations as "*they present political, social, economic, and environmental challenges that if ignored, can jeopardize the achievement of development results*."[74] Finally, the African Development Bank (AfDB) Group adopted a "Strategy for Addressing Fragility and Building Resilience in Africa 2014-2019" that seeks to enable the

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66 Fragile States: Policy Commitment and Principles for Good International Engagement in Fragile States and Situations, DAC High Level Meeting, 3-4 April 2007, DCD/DAC (2007)29.

67 IDB committed to "support and reinforce" the OECD-DAC principles of good engagement in fragile situations together with the AfDB, the ADB, the EBRD, the IMF, the IsDB, and the World Bank.

68 The Paris Declaration put forward a long- term vision for delivering effective aid in fragile states based on the recognition that "*while the guiding principles of effective aid apply equally to fragile states, they need to be adapted to environments of weak ownership and capacity and to immediate needs for basic service delivery.*"

69 In 2016 members of the International Dialogue on Peacebuilding and State Building --who originally proposed the New Deal-- renewed their commitment to the New Deal principles with the adoption of the Stockholm Declaration on Addressing Fragility and Building Peace in a Changing World.

70 List of countries and organizations available at: http://www.pbsbdialogue.org/en/new-deal/endorsing-countries/ (Last access: 11/05/2020).

71 Strategy for Fragility, Conflict and Violence 2020-2025, the World Bank Group, 2020.

72 World Bank Operational Policy "Development and Conflict" OP2.30, 2001, updated in 2014.

73 As the FCV strategy states, interventions in fragile contexts cannot be business as usual "*because of often rapidly changing circumstances, differing levels of insecurity, fragile and volatile political situations, macroeconomic instability, low institutional capacity, a weak enabling and investment climate for the private sector, higher risks of violence against vulnerable populations, and overall significantly higher risks*."

74 Operational Plan for Enhancing ADB'S Effectiveness in Fragile and Conflict-Affected Situations, Asian Development Bank 2013.

institution to meet its commitments under the New Deal.[75] In contrast with these MDBs, the IDB Group does not currently have an explicit strategy or policy to guide its work in fragile countries or in fragile situations.

3.5 **In the absence of an IDB Group´s formal strategy for working in fragile states and situations,[76] OVE drew from the literature a set of generally accepted principles for engagement in fragile states to help inform the evaluation.** OVE's list is anchored in the OECD Fragile States Principles endorsed by IDB, complemented by the results of a literature review on the different approaches and experiences of international partners working in fragile states. They have been adapted as necessary to fit IDB Group´s work in the LAC region. Table 3.1 below includes eight principles and explains how each is critical to managing risks and enhancing development results in fragile contexts and situations, such as Haiti.

Table 3.1. List of fragility-related principles and their application

Fragility principles	Application in fragile situations
1. Take the context as the starting point	This principle calls for identifying: (i) the causes of fragility that may jeopardize achieving development results, both within and outside the scope of the project, recognizing the links between political, security, and development objectives; and (ii) the factors of resilience, entry points for breaking vicious circles, and possible coalitions of actors that could maximize project results.
2. Do no harm	This principle calls for: (i) conducting conflict and governance analysis during project design to avoid creating or reinforcing divisions in society and/or corruption and abuse inadvertently; (ii) incorporating appropriate safeguards in project design; and (iii) anticipating and proactively managing fiduciary and reputational risks.
3. Align with local priorities	This principle calls for considering the power relations within government, making a specific effort to engage with line and/or technical ministries, with local authorities, and with civil society or directly with communities (as the context may call for) when alignment with government-led strategies is not possible. It also calls for avoiding activities that could undermine national institutional building.
4. Focus on state-building as a key objective	This principle calls for focusing on strengthening key state functions (provision of law and order, basic social services, macroeconomic stability) and country systems, to avoid undermining state capacity, ensure the sustainability of development projects, and promote ownership and accountability to citizens.
5. Prioritize prevention	This principle calls for incorporating support for early warning systems and early response mechanisms whenever possible, as "an ounce of prevention is worth a pound of cure", especially in contexts that are vulnerable to chronic natural disasters and public health crises.
6. Promote non-discrimination and inclusion	This principle calls for consistently promoting gender equality and social inclusion, and to involve women, youth, minorities, and other excluded groups in service delivery. This principle also has a geographic angle: engaging in areas outside the capital city, and in areas where there might be logistical or security challenges, and weaker human and institutional capacity, which takes a special effort but is important to ensure inclusion and make a difference where it is most needed.
7. Act fast, stay engaged	This principle calls for flexibility to respond to changing circumstances on the ground with agility but keeping a long-term view of engagement with the country. Stop-and-go, or premature disengagement, can cause aid shocks detrimental to country systems, and can destroy relationships that took time to build, making re-engagement costly for both sides. It also calls for seeking opportunities to generate results soon as a way to generate buy-in and credibility.
8. Promote coordinated responses between international actors	This principle calls for development partners to agree on practical coordination mechanisms to avoid burdening recipient countries, and to ensure coherent support.

Source: OVE based on OECD-DAC Principles of Good Engagement in Fragile Situations, the Paris Declaration of Aid Effectiveness, and the New Deal for Engagement in Fragile States.

75 African Development Bank Group Strategy for Addressing Fragility and Building Resilience in Africa 2014-2019.

76 Management is currently working on a fragility approach for future application.

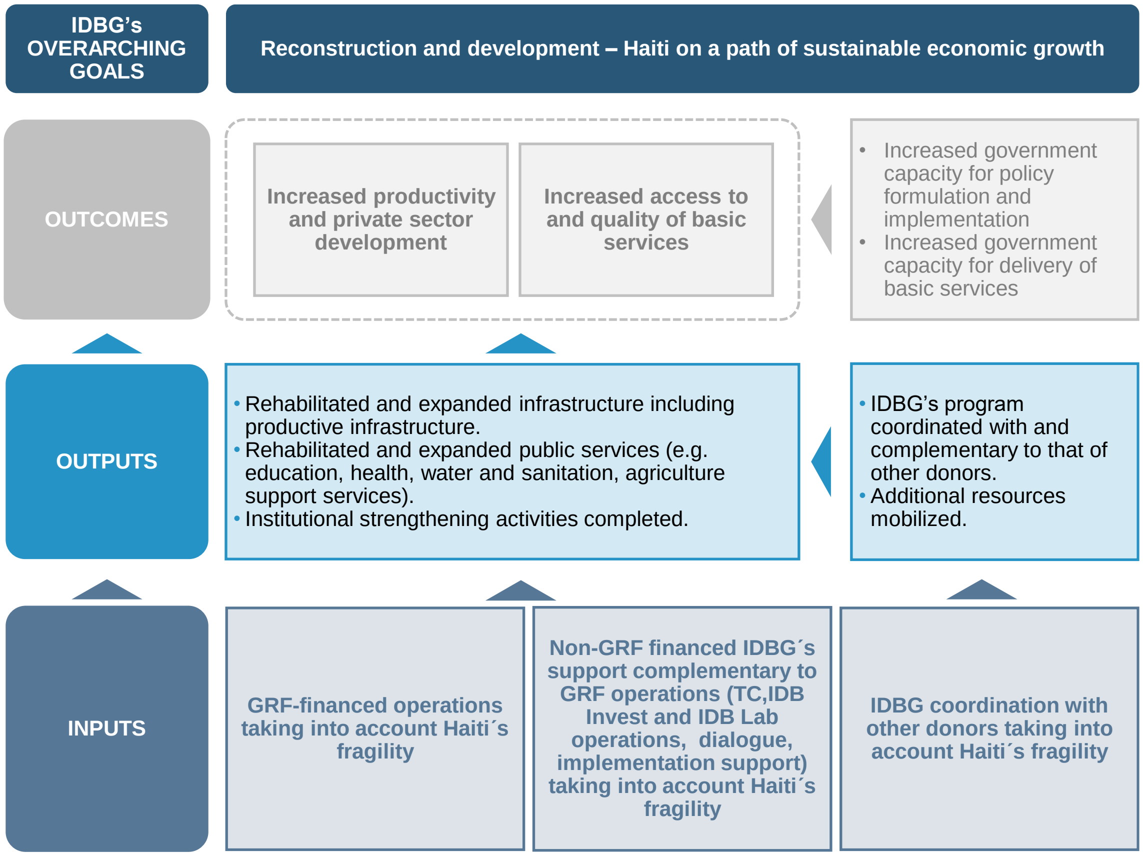
B. IDB Group's program 2011-2020 – theory of change

3.6 **In the past decade, IDB Group has undertaken a wide range of activities in pursuance of its strategic objectives in Haiti.** Although only the operational program of investment grants and policy-based grants was financed through the GRF, the Bank undertook other activities that complemented and reinforced its GRF-financed work. For example, the Bank provided non-GRF-financed technical assistance for operational support and for institutional strengthening, for country systems, and for knowledge generation, among others, that were financed with the Bank's Ordinary Capital and/or donor funds that were intended to support the reconstruction and development of Haiti. The IDB Group enhanced its presence in country and created a country department exclusively dedicated to Haiti, in operation for a few years before being reabsorbed into the Central American country department. In addition, as one of the major donors and leader in some sectors, the Bank sought to coordinate efforts with other key development partners,[77] and to mobilize additional financial resources.

3.7 **The theory of change below (Table 3.2) shows how the program implemented between 2011-2020 was linked to the IDB Group´s strategic objectives for Haiti that OVE derived from the Country Strategies in effect during the evaluation period (Table 2.1).** Through the GRF and other resources the IDB Group provides a set of inputs including GRF-financed operations in various sectors, TC operations, IDB Invest and IDB Lab operations, support for country systems, dialogue, general implementation support from its staff in Haiti and at IDB headquarters, and coordination with other donors. These inputs are expected to generate outputs that include rehabilitated and expanded infrastructure, rehabilitated and expanded public services, and institutional strengthening activities completed. IDB Group's coordination with other donors is expected to lead to an IDBG program that is coordinated and complementary to that of other donors and to additional financial resources mobilized, which in turn, contribute to the outputs generated by GRF financing and other non-GRF support. These outputs are expected to contribute to the three higher level outcomes derived from IDB Group's Country Strategies in effect during the period, namely increased productivity and private sector development; increased access to and quality of basic services; and increased government capacity to formulate and implement policies and to deliver basic services. Integrating the principles for engaging in fragile states and situations is expected to facilitate achievement of these objectives. The evaluation matrix presented in Annex II shows how OVE incorporates these principles as part of the evaluation's assessment criteria.

[77] IDB led several of the *tables sectorielles* that were created by the Government to organize support from development partners after the earthquake.

Table 3.2. OVE reconstructed theory of change of IDBG's 2011-2020 program and application of fragility principles



Source: OVE.

IV. EVALUATION OBJECTIVES, SCOPE, QUESTIONS, AND METHODOLOGY

A. Evaluation objectives and scope

4.1 **The evaluation seeks to inform management and the Boards of IDB and IDB Invest about what has been achieved with ten years of GRF financing for Haiti and whether GRF financing was an effective approach to support the country's reconstruction and development.** The evaluation will in this way support both accountability and learning: accountability, as it will assess Bank performance in pursuance of its strategic goals using GRF resources; and learning, as it will examine the key factors that explain the success and/or failure of the Bank's program.

4.2 **The evaluation will primarily focus on the period of IDBG activity in Haiti from January 2011 to December 2020.** The evaluation portfolio will include all operations fully or partially financed by the GRF that were approved between January 2011, when the use of GRF financing began under the conditions established by the IDB-9 replenishment, until December 2020. The evaluation portfolio will also include selected GRF-financed operations approved and active by the end of 2010 to the extent that they are relevant to understanding the Bank's engagement[78] at the sector level. The evaluation portfolio will not include FSO

78 OVE will include in its assessment the following GRF-financed projects approved prior to 2011: HA-L1029; HA-L1034, HA-L1041; HA-L1044; HA-L1046; and HA-L1049.

loans approved prior to 2007 that were converted into GRF-financed grants as these operations are remnants of a different approach to working with Haiti that preceded the Bank's debt relief initiatives and IDB-9 replenishment.

4.3 **The evaluation will also examine selected IDBG activities financed with funds other than GRF resources.** The GRF-financed program of operations was supplemented by other Bank activities financed with funds other than GRF resources, as shown in the theory of change (Table 3.2 above). To gain an understanding of how the GRF-financed program was supported and complemented by other IDB Group activities, the evaluation will also look at IDB TC operations and other technical assistance and IDB Invest and IDB Lab operations approved between 2011 and 2020 to the extent that they are complementary to the GRF portfolio. OVE will also assess how IDB's support through the GRF was coordinated with other donors as it is a key aspect of engaging in fragile states.

4.4 **The evaluation will draw on OVE's prior country program evaluations (CPE) but differs from a CPE in several respects.** First, the evaluation will provide a longer-term perspective on how GRF resources were used to help Haiti's reconstruction and development and what was achieved over ten years of GRF financing in the areas of economic recovery, provision of basic services and human development, and government strengthening, whereas previous CPEs evaluated Bank achievements over one strategy period and had a narrower focus around country strategy specific objectives. Second, the evaluation will focus on GRF-funded operations and will only review non-GRF financed activities that were complementary to the GRF portfolio. The evaluation will, however, draw on project and sector analyses conducted in prior CPEs[79] to analyze the evaluation portfolio and to assess how the Bank's approach to working with Haiti has evolved across the period under review. The evaluation will also draw on OVE's Mid-term Evaluation of IDB-9 Commitments (2012) and on the Haiti country case study undertaken in the context of OVE's Environmental and Social Safeguards Evaluation (2018).

B. Evaluation questions

4.5 The overarching question the evaluation seeks to answer is to what extent have ten years of GRF financing been effective to support Haiti's reconstruction and development? To answer this question the evaluation will address the specific questions listed below. A complete evaluation matrix with related judgment criteria is included in Annex II.

a. Has the GRF approach of earmarking a set amount of grant financing over ten years been adequate to support Haiti's reconstruction and development?
b. How well tailored was the design of the GRF-financed program to address Haiti's key development challenges given the country's fragility situation?
c. Was the GRF-financed program implemented considering the country's fragility situation?
d. To what extent have non-GRF activities complemented and supported the GRF-financed program?
e. To what extent has the GRF portfolio contributed to Haiti´s increased productivity and private sector development; increased access to and quality

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79 OVE completed two CPEs in the period under evaluation: the first covered the period from 2007 to 2011; the second covered the period from 2011 to 2015.

of basic services; and increased government capacity for policy formulation and implementation, and for service delivery? What factors hindered or favored the achievement of results?

f. How sustainable are results achieved with the GRF-financed program?

g. How effective was IDBG's participation in donor coordination?

C. Methodology

4.6 OVE will use complementary data collection and analysis methods to answer the evaluation questions including analysis of portfolio data, document reviews, literature review, desk review of GRF-financed projects, analysis of selected non-GRF-financed activities, and interviews. OVE is not expecting to conduct any field-based review of individual projects given COVID-related travel restrictions. OVE will use qualitative analytic tools to analyze and triangulate information from project desk reviews and interviews. The table below presents the methods used for each of the main evaluation questions. Annex II includes a detailed evaluation matrix.

Table 4.1. Main evaluation questions and methods

Main Evaluation Questions	Portfolio Analysis	Document Review	Literature Review	Desk Review	Analysis of donor activity	Analysis of institutional arrangements	Interviews
Has the GRF approach of earmarking a set amount of grant financing over ten years been adequate to support Haiti´s reconstruction and development?	x	x	x	x		x	x
How well tailored was the design of the GRF-financed program to address Haiti's key development challenges given the country's fragility situation?	x	x	x	x		x	x
Was the GRF-financed program implemented considering the country's fragility situation?		x	x	x		x	x
To what extent have non-GRF activities complemented and supported the GRF-financed program?	x			x			x
To what extent has the GRF-financed program contributed to Haiti´s increased productivity and private sector development; increased access to and quality of basic services; and increased government capacity for policy formulation and implementation, and for service delivery? What factors hindered or favored the achievement of results?	x	x		x		x	x
How sustainable are the results achieved with the GRF-financed program?		x	x	x		x	x
How effective was IDBG's participation in donor coordination?				x	x		

Source: OVE.

4.7 **Portfolio analysis.** OVE will assemble portfolio information based on IDB Group's systems to establish a portfolio-wide database for analysis of GRF-financed operations. The portfolio analysis is expected to provide overall insights on the GRF portfolio in terms of evolution during the past ten years, composition, mix of instruments, disbursements, cancelations, and co-financing amounts, among other things.

4.8 **Document Review.** OVE will compile key Bank corporate documents related to the establishment of the GRF and to IDB Group's strategic approach as established in the various Country Strategies in place during the evaluation period. The review of corporate documents is intended to identify the goals and strategic objectives that guided IDB Group activity during the evaluation period.

4.9 **Literature review.** OVE will also conduct a literature review of approaches of other development agencies to working in fragile states or situations and of the results of their experience to date, including the OECD, the AfDB, the ADB and the World Bank. The literature review is intended to provide an understanding of how to apply principles for engaging in fragile states and situations.

4.10 **Desk-review of projects.** OVE will conduct a desk review of all projects in the evaluation portfolio. The evaluation portfolio will include: (i) all GRF-financed operations approved between January 2011 and December 2020; (ii) GRF-financed operations approved prior to January 2011 that are relevant to understand the Bank's engagement at the sector level; and (iii) operations approved between January 2011 and December 2020 by the IDB using Ordinary Capital and/or donor funds, by IDB Lab and by BID Invest to the extent that they are complementary to the GRF portfolio. OVE will use text mining tools to identify the relevant set of non-GRF-financed operations complying with such criterion. The desk review of GRF-financed operations will assess the dimensions of relevance, implementation, effectiveness, and sustainability of each operation adding a fragility lens through the use of the principles for engaging in fragile states discussed in Chapter III of this Approach Paper. The desk review of non-GRF-financed operations will examine how these operations complemented and supported the GRF portfolio.

4.11 **Analysis of donor activity.** OVE will compile data and information on donor activity during the evaluation period (financing, key sectors of engagement) to determine how well coordinated was IDB Group's program financed through the GRF with the programs of other donors. OVE will also compile information on co-financing of GRF-financed operations and on mobilization of resources during the evaluation period.

4.12 **Analysis of special organizational arrangements, procedures, and resource allocation**. To gain an understanding of the extent to which IDBG's internal capacity and organization was conducive to working effectively with Haiti, OVE will also review specific organizational arrangements and procedures implemented by the IDBG to work in Haiti such as the establishment of a Haiti Country Department and the increased presence in the country office. In addition, OVE will review the specific budgetary resources allocated for IDBG's work in Haiti.

4.13 **Interviews.** OVE will complement data-analysis and document review with semi-structured interviews of relevant stakeholders, including: (i) IDB COF staff; (ii) IDB managers and specialists involved in Haiti operations; (iii) government officials and staff of executing agencies; and(vi) staff of other donors involved in Haiti. OVE will seek to obtain the view of project beneficiaries to the extent possible given travel restrictions. All interviews with people in Haiti will be conducted by phone or virtual meetings.

V. EVALUATION TEAM AND TIMELINE

5.1 The evaluation team includes Ana Maria Linares (team leader), Eliane Clevy, Federico Fraga, Michelle Infanzón, Lucero Vargas, Maria Camila Villarraga, Juana de Catheu (consultant), Gabriel Presciuttini (consultant), Melanie Putic, and Andreia Barcellos. The team will be supported by other external consultants as needed.

5.2 The draft report is expected to be ready for Management review in August and for submission to the Board of Executive Directors of IDB and IDB Invest in October 2021. The expected timetable is shown below.

Table 5.1. Expected timetable

Activity	Date
Approach Paper to Board of Executive Directors	May 2021
Draft for management review	October 2021
Submission to SEC for delivery to the Board of Executive Directors	December 2021

Office of Evaluation and Oversight — OVE

Established in 1999 as an independent evaluation office, OVE evaluates the performance and development effectiveness of the activities of the Inter-American Development Bank Group (IDB Group). These evaluations seek to strengthen the IDB Group through learning, accountability and transparency.

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