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CONSULTATION AND INVESTIGATION MECHANISM

**HAITI**

**MICI-BID-HA-2017-0114**

**THIRD MONITORING REPORT ON THE CONSULTATION PHASE AGREEMENTS**

**PRODUCTIVE INFRASTRUCTURE PROGRAM**

**(HA-L1055, HA-L1076, HA-L1081, HA-L1091, HA-L1143)**

**(2552/GR-HA, 2779/GR-HA, 3132/GR-HA, 3384/GR-HA, 5390/GR-HA)**

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2. [MICI-BID-HA-2017-0114 case file](#)
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6. [Grant Proposal for the Infrastructure Program \(HA-L1055\)](#)
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11. [Haiti Social Impact Assessment – Productive Infrastructure Program I-IV \(HA-L1076, HA-L1081, HA-L1091, HA-1101\)](#) (In English only)
12. [Cumulative Environmental Impact Study – Productive Infrastructure Program I-IV \(HA-L1076, HA-L1081, HA-L1091, HA-1101\)](#) (In French only)
13. [Guidance Note for Accessible and Secure Remote Case Management](#)
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## ABBREVIATIONS

AREDE	Action pour la Reforestation et la Défense de l'Environnement [Action for Reforestation and Environmental Defense]
Bank or IDB	Inter-American Development Bank
Board	Board of Executive Directors of the IDB
DGI	Direction Nationale des Impôts [Tax Bureau]
Kolektif or Requesters	Kolektif Peyizan Viktim Tè Chabè
Komitè	Group of 10 Requesters that have represented the Kolektif over the course of the MICI process
Management	The IDB Group manager or managers in charge of the relevant IDB Group-financed operation or any delegate thereof
MICI or the Mechanism	Independent Consultation and Investigation Mechanism
PAP	Persons affected by the program
PIC or Park	Parque Industrial de Caracol [Caracol Industrial Park]
PITAG or Program	Agricultural and Agroforestry Technological Innovation Program
UTE or executing agency	Unité Technique d'Exécution [Unidad Técnica de Ejecución]

## EXECUTIVE SUMMARY

The objective of the Productive Infrastructure Program is to strengthen private sector development in northern Haiti through the construction and operation of the Caracol Industrial Park (PIC or Park). The PIC covers an area measuring approximately 246 hectares and is located in the commune of Caracol near Trou-du-Nord, Terrier-Rouge, and Limonade in the Northeast Department of Haiti.

The Inter-American Development Bank has supported the program through five grant operations (HA-L1055, HA-L1076, HA-L1081, HA-L1091, and HA-L1143)<sup>1</sup> and various technical cooperation operations. On 3 November 2021, the IDB Board of Executive Directors approved operation [HA-L1143](#) “Productive Infrastructure Program V” in support of the PIC. The Infrastructure Program (operation HA-L1055), the first of several grant operations, was approved on 25 July 2011 by the IDB Board of Executive Directors. It financed: (i) the Park’s initial infrastructure, including the perimeter fence, a water treatment plant, and temporary water treatment and waste management facilities; (ii) four industrial buildings; (iii) an administrative building; (iv) social and environmental studies and mitigation measures; and (v) the Compensation and Livelihood Restoration Plan for People Affected by the Program. A portion of funding for the latter component is also part of operation HA-L1076.

On 12 January 2017, the Independent Consultation and Investigation Mechanism (the MICI or the Mechanism) received a Request filed by the Kolektif Peyizan Viktim Tè Chabè [Peasants Collective of Victims of the Chabert] with the support of three civil society organizations: Accountability Counsel, ActionAid Haiti, and AREDE. The Kolektif consists of approximately 422 families who had been farming the land in the area where the PIC was built. Despite having received subsequent compensation—comprising transitional and final payments—the Requesters maintain that the amounts received did not enable them to restore their livelihoods. Additionally, the Requesters allege that they were unaware of the program’s potential environmental impacts, particularly the pollution of the Trou-du-Nord River and of the air in the vicinity of the project site. They also had concerns about solid waste management.

The Request was declared eligible on 23 March 2017. On 14 June 2017, a MICI Consultation Phase was initiated, which ended with the signing of a confidential agreement on 8 December 2018. That agreement includes corrective measures to restore the livelihoods of persons affected by the program. One member of the affected household would have the opportunity to access employment at the PIC, preceded by technical training. Meanwhile, another member of affected households could choose from the following supplemental options: access to land and technical support (“access to land”); specialized farming equipment and inputs (“specialized equipment”); graduation program for the most vulnerable focused on small business development and access to microcredit (“graduation program”); or a one-year scholarship for vocational training (“vocational training”). The Agreement also includes provisions regarding access to information on the program’s social and environmental impacts.

In terms of the structure for monitoring the commitments reached, the Parties agreed to set up a Monitoring Committee comprising three representatives of the Requesters, one representative of IDB Management, and one representative of the Technical Execution

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<sup>1</sup> In 2015, the IDB Board of Executive Directors approved operation HA-L1101 to support Caracol Industrial Park, but that operation was canceled in 2019.

Unit (UTE or executing agency). The Parties also asked the MICI to perform monitoring. The MICI facilitates the meetings of the Monitoring Committee with the collaboration of Mr. Julián Portilla, who is on the Mechanism's roster of experts in facilitation and has accompanied the process from the outset.

This report covers the third year of monitoring, comprising the period from January 2021 to March 2022, during which two MICI-facilitated meetings of the Monitoring Committee were held. Due to the travel restrictions in response to the COVID-19 pandemic, the meetings were held via videoconference ensuring that the Requesters could participate by phone. The Mechanism tried to address, to the best of its ability, technological and communication challenges to ensure that all Parties could effectively participate. It also guaranteed access to French-Creole-French interpretation services and monitored the provisions of the "Guidance Note for Accessible and Secure Remote Case Management." The MICI also remained in constant contact with the Parties through bilateral meetings to ascertain and jointly evaluate progress on fulfillment of the commitments.

During the third year of monitoring, the MICI observed considerable progress in all components. In particular, tangible results were achieved in the "access to employment," "access to land," "graduation program," and "vocational training" components. In 2021, the MICI observed that 25 persons affected by the program (PAP) had gained access to employment, 11 to land, 172 to the graduation program, and two to vocational training.

However, the MICI observed that less progress had been made in the "specialized equipment" component during the period analyzed, in which 13 wells with problems had been repaired, although no motorized pumps had been provided and the drilling works for new wells had not been completed. As regards the "access to land" component, while the MICI had observed progress in terms of results, there were persistent difficulties in obtaining detailed information on the steps required to formalize the title transfers, and the persons affected by the program still had no access to private land. As of the writing of this report, the UTE had indicated in conversations with the MICI that it would be delivering three plots of private land in May.

To date, the cumulative percentages of the Agreement implemented by component are: "access to employment," 19%; "access to land," 11%; "specialized equipment," 70%; "graduation program," 91%; and "vocational training," 66%.

Throughout 2021, a number of structural challenges impacted fulfillment of the Agreement. The restrictions imposed in response to the pandemic affected implementation and the monitoring activities since they limited domestic and international travel. The third year of monitoring was also affected by a complex sociopolitical environment and precarious security conditions that restricted movements within Haiti. The exacerbation of the political context due to the assassination of president Jovenel Moïse in July 2021, the damage caused to Haiti's infrastructure by a 7.2 magnitude earthquake, followed by Tropical Storm Grace in August, and the fuel crisis in the last quarter of 2021 hampered the progress made on activities and processes, and in communications with the Requesters. Specifically, the security situation and the fuel crisis directly impacted the execution timeline for the "access to land and technical support" component, by hampering the land surveying process.

The Mechanism would like to highlight the efforts and flexibility of the Requesters and of UTE and IDB officials who played a leading role in securing the progress achieved under certain components of the Agreement. The MICI also stresses the need to ensure access to timely, precise, and detailed information, both in terms of the necessary procedures for

achieving the objectives under each component of the Agreement and the monitoring of PAP and their options under the framework for restoring their means of subsistence. The MICI also considers it essential to strengthen the mechanisms for communication among the Requesters, as well as their understanding of the contents of the Agreement and the particulars of each option.

The MICI will continue its monitoring activities in 2022, by organizing and facilitating virtual meetings of the Monitoring Committee. If the circumstances of the pandemic allow, the MICI will field at least one mission to Caracol and Limonade in the second half of the year to facilitate in-person meetings of the Monitoring Committee and evaluate progress toward fulfillment. The Mechanism will provide the Parties with ad hoc support as needed and will continue to evaluate any circumstances that could weaken the process. In March 2023, it will issue the Fourth Annual Monitoring Report, which will discuss the actions taken and the progress achieved. According to paragraph 35 of the MICI Policy, the monitoring period of the agreement reached is not to exceed five years from the signature date of the Agreement.

## I. CASE BACKGROUND

- 1.1 The objective of the Productive Infrastructure Program is to strengthen private sector development in northern Haiti through the construction and operation of the Caracol Industrial Park (PIC). The PIC covers an area measuring approximately 246 hectares and is located in the commune of Caracol near Trou-du-Nord, Terrier-Rouge, and Limonade in the Northeast Department of Haiti.
- 1.2 The IDB has supported the program through five grant operations (HA-L1055, HA-L1076, HA-L1081, HA-L1091, and HA-L1143)<sup>2</sup> and various technical cooperation operations. The last operation in support of the PIC, “Productive Infrastructure Program V” ([HA-L1143](#)), was approved by the Board of Executive Directors on 3 November 2021.
- 1.3 The Infrastructure Program (operation HA-L1055), the first of several investment grant operation in support of the PIC, was approved on 25 July 2011 by the Board of Executive Directors. It financed: (i) the initial infrastructure of the Park, including the perimeter fence, the water treatment plant, and temporary water treatment and waste management facilities; (ii) four industrial buildings; (iii) an administrative building; (iv) social and environmental studies and mitigation measures; and (v) the Compensation and Livelihood Restoration Plan for People Affected by the Program. A portion of funding for the latter component is also part of operation HA-L1076.
- 1.4 On 12 January 2017, the MICI received a Request filed by the Kolektif Peyizan Viktim Tè Chabè [Peasants Collective of Victims of the Chabert] with the support of three civil society organizations: Accountability Counsel, ActionAid Haiti, and Action pour la Reforestation et la Défense de l'Environnement [Action for Reforestation and Environmental Defense] (AREDE). The Kolektif consists of approximately 422 families that had been farming the land in the area where the PIC was built. The Requesters contend that the unannounced construction of the Park’s perimeter fence cut off their access to the plots of land that they relied on for their livelihood. Despite having received subsequent compensation—comprising transitional and final payments—the Requesters maintain that the amounts received did not enable them to restore their livelihoods. In addition, the Requesters allege that they were unaware of the environmental impacts that the Program could have, particularly the pollution of the Trou-du-Nord River and of the air in the vicinity of the project site. They also had concerns about solid waste management.
- 1.5 The Request was declared eligible on 23 March 2017. Following an evaluation of the feasibility of implementing a dialogue process, the MICI Consultation Phase Process began on 14 June 2017. According to the MICI-IDB Policy, the Consultation Phase Process lasts no more than 12 months. In this case, the IDB’s Board of Executive Directors approved a six-month extension, which ran until 14 December 2018.

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<sup>2</sup> In 2015, the Board of Executive Directors of the IDB approved operation HA-L1101 to support Caracol Industrial Park, but that operation was canceled in 2019.

- 1.6 During the Consultation Phase Process, the MICI convened and facilitated six rounds of structured dialogue, following up on the issues pre-determined by the Parties on the agenda and using a methodology agreed upon at the outset. The outcome of the six rounds was that the Parties reached 19 partial agreements for immediate implementation, and the final agreement was signed on 8 December 2018. That agreement includes corrective measures to restore the livelihoods of persons affected by the program (PAP). One member of the affected households would receive priority for access to employment at the PIC, preceded by technical training. Meanwhile, another member of the affected households can choose from the following options: access to land and technical support (“access to land”), which is capped at 100 persons affected by the program; specialized farming equipment and inputs (“specialized equipment”); graduation program for the most vulnerable focused on small business development and access to microcredit (“graduation program”); or vocational training. The agreement also includes provisions regarding access to information on the program’s social and environmental impacts. On 5 October 2021, the Parties signed an amendment to the Agreement that enabled the persons affected by the program to access public land under the “access to land” option of the additional corrective measures.
- 1.7 In terms of the structure for monitoring the commitments reached, the Parties agreed to set up a Monitoring Committee comprising three representatives of the Requesters, one representative of IDB Management, and one representative of the UTE. The Parties also asked for the MICI to be involved in monitoring. The MICI facilitates the meetings of the Monitoring Committee through Mr. Julián Portilla, who is on the Mechanism’s roster of experts in facilitation and has been serving in that role since the initial evaluation of conditions.
- 1.8 As agreed between the Parties and in accordance with paragraph 34 of the MICI-IDB Policy, the terms of the Agreement reached, the monitoring plan and its time frame are confidential. The monitoring plan submitted by the MICI to the Board of Executive Directors of the IDB was approved by the no objection procedure on 2 February 2019.
- 1.9 In January 2020, the MICI issued its First Monitoring Report on the Consultation Phase Agreements, which covered the period from January to December 2019. During that period, the Mechanism reported that Management and the UTE completed the process of reviewing compensation payments and met the deadline for distribution of the school kits. However, it noted the limited progress of the “access to employment” component and the additional support options (access to lands, specialized farming equipment, graduation program for small businesses, and vocational training). With regard to employment at the PIC, only 12% of the persons registered have been hired by year-end 2019. As of December 2019, no steps had been taken to begin the formal initiation of any of the additional options. The MICI found that the conditions set out in the Agreement for selecting the additional options posed challenges for the Requesters and that administrative processes within the IDB and UTE took longer than originally anticipated.
- 1.10 In February 2021, the MICI issued its Second Monitoring Report on the Consultation Phase Agreements, which covered the period from January to December 2020. During that period, the Mechanism observed that 12% of the persons affected by the program who were registered in the “access to

employment” component had access to employment at the PIC since the Agreement was signed. However, 15 of those individuals were no longer working at the PIC. The UTE and the IDB undertook the steps necessary to use the PIC’s training center to train the persons affected by the program, which helped facilitate access to employment for 69 Requesters. The MICI also noted that 70% of the “specialized equipment” component had been implemented and that implementation of the “graduation program” had begun. Regarding the “access to lands” component, the MICI did not observe any progress in terms of results and noted difficulties in obtaining detailed information on the steps required to bring title transfers to fruition. The Mechanism found that the delay in implementing the commitments included in the Agreement was attributable to delays associated with administrative processes within IDB Management, procedural- and processing-related delays for which the UTE was responsible, and communication- and mobilization-related delays among the group of Requesters.

- 1.11 Background information on case MICI-BID-BID-HA-2017-0114 and public documentation prepared during the process can be consulted in the [case file](#) in the MICI Public Registry.<sup>3</sup>

## II. MICI POLICY AUTHORITY FOR THE MONITORING OF AGREEMENTS

- 2.1 Paragraph 35 of the MICI-IDB Policy (document MI-47-6) stipulates that, if the Parties reach an agreement during the Consultation Phase process, the Mechanism will prepare in collaboration with them a plan and timetable for monitoring compliance with the agreement reached, where appropriate. The term of the plan will not exceed five years.
- 2.2 In accordance with paragraph 35 of the MICI-IDB Policy, the Mechanism will submit an annual monitoring report to the Board of Executive Directors for information.

## III. ACTIONS DURING THE REPORTED MONITORING PERIOD

- 3.1 In-person contact and missions to project sites are essential for the execution of activities during all stages of the Consultation Phase. However, in light of the COVID-19 pandemic and the restrictions imposed to mitigate its spread, adaptive measures have been implemented to limit, as much as possible, the impact of the pandemic on monitoring tasks during the second monitoring period (January 2021 to March 2022). The paragraphs below discuss the monitoring activities, which followed the guidelines set out in the “Guidance Note for Accessible and Secure Remote Case Management.”
- 3.2 **Monitoring missions.** The Mechanism did not conduct field monitoring missions during the period covered by this report, owing to measures aimed at containing the COVID-19 pandemic. Among other aspects, these measures restricted the

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<sup>3</sup> The public documents on the case can be accessed from the “Links” section.

ability to travel and hold in-person meetings. Consequently, all Mechanism communications were conducted by telephone or virtual means.

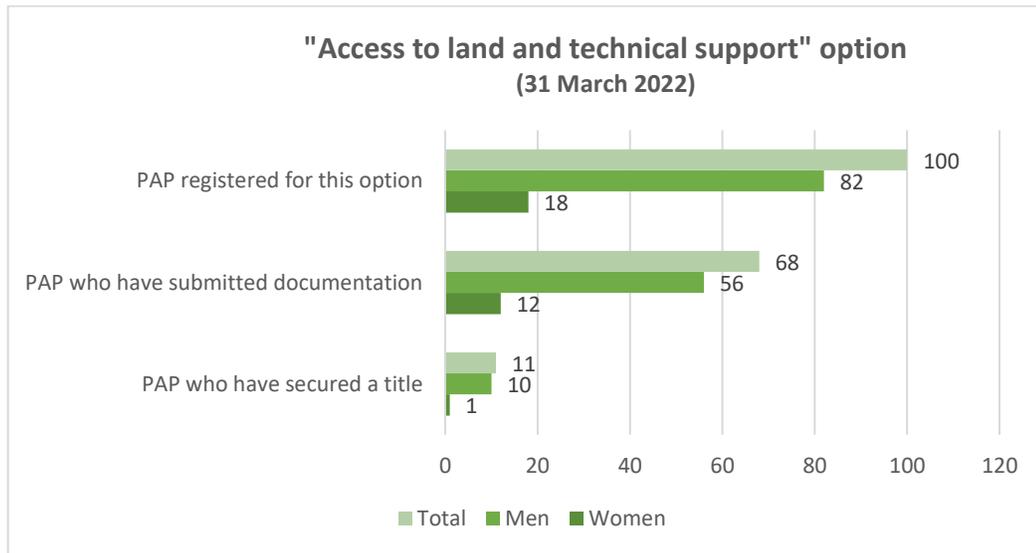
- 3.3 **Bilateral and Monitoring Committee meetings.** The Mechanism facilitated, by virtual means, 12 bilateral meetings with the Parties and two meetings of the Monitoring Committee, thereby ensuring the participation of IDB Management, the UTE, and the representatives and advisers of the Requesters. The latter participated by telephone, since most did not have access to computers or a reliable Internet connection. The MICI also guaranteed access to French-Creole-French interpretation services. All Monitoring Committee meetings were preceded by preparatory meetings with each of the Parties, which included the participation of a facilitator, the Consultation Phase Coordinator, the Case Officer, and the Consultation Phase Assistant.
- 3.4 Given the needs of the case, two digital platforms had to be used simultaneously during teleconferences: (i) Zoom was the primary platform used for the teleconferences and to provide simultaneous and consecutive interpreting services in the preferred languages of the Parties; and (ii) Cisco Jabber to connect the Requesters—who would call in directly on their mobile phones—to the Zoom calls.
- 3.5 **Periodic contact between the MICI and the Parties and relevant stakeholders.** During the period observed, the MICI maintained weekly contact with each of the Parties by phone, WhatsApp messages, and email. It also facilitated various meetings at the request of the Parties when necessary. The MICI took advantage of these exchanges to solicit each Party's views on the status of fulfillment of the agreements, identify challenges for implementation of the activities agreed upon, and propose actions to address them.
- 3.6 The MICI was also in constant contact with Haiti's representative on the Board of Executive Directors, other Executive Directors who had expressed interest in the case, the Bank's Country Office in Haiti, and the project team, to keep them informed about the status of the case at all times.
- 3.7 **Monitoring of media and relevant events.** During the period in question, the MICI regularly monitored the press, social media, online portals, and events to identify relevant contextual information that could have an impact on the monitoring of the activities agreed upon.
- 3.8 **Fulfillment status.** As of March 2022, the following was observed:
- 3.9 Payment of differences identified in the compensation amounts. In the last quarter of 2019, the UTE reported that the review of the compensation payments made under the Compensation and Livelihood Restoration Plan had concluded, resulting in additional payments in 34 cases. However, on 10 June 2020, the Monitoring Committee agreed to conduct a second review of five cases for which no additional payment had been made, since the calculations and the reasons for denying the payment adjustment were unclear. According to an official communication by IDB Management, of the five pending cases three of the individuals picked up their checks at the PIC. The remaining two cases involved very minor amounts, and neither of those individuals had come in to pick up their checks.

- 3.10 Access to employment at the PIC, preceded by vocational training (employment access). According to IDB Management, 45 registered persons affected by the program obtained jobs in 2019 or 2020. In December 2020, however, the Bank reported that approximately 15 of them are no longer working at the PIC.<sup>4</sup> With a view to making headway on this component of the Agreement, and to facilitate access to employment for persons affected by the program, the UTE and the IDB provided approximately eight weeks of cut-and-sew training. Training of the first group under this component was completed on 18 December 2020. In all, 69 persons affected by the program were trained, 25 of whom began working at the PIC. Training of the second group was held from 18 January through 5 March 2021. In all, 34 persons affected by the program were trained in that group and, as of the writing of this report, none of them had begun working at the PIC.
- 3.11 In 2021, 25 persons affected by the program went to work at the PIC, accounting for 7% of the persons registered for this component. In total, 19% of the 375 persons affected by the program have gained access to employment at the PIC since the Agreement was signed. The beneficiaries of jobs at the Park are the direct result of training at the PIC's training center, and efforts by the UTE, which has been in direct contact with the company clients of the Park to underscore the need to implement the "access to employment" component of the Agreement.
- 3.12 According to the Requesters' advisers, 17 persons had completed cut-and-sew training, but were not contacted for employment interviews at the Park.
- 3.13 Additional corrective measures for livelihood restoration. The process for persons affected by the program to select their preferred option began in March 2019 with six information and selection meetings organized by the UTE and IDB Management. Regarding the selection process for the "access to land" option, the UTE, with IDB support, organized several additional meetings between April and July 2019. The selection process concluded in October 2019. During the third year of monitoring, which covers the period from January 2021 to March 2022, the MICI recorded the following implementation status:
- 3.14 *Access to land and technical support (access to land):* According to the UTE's official report dated 25 March 2022, 68 persons affected by the program had identified a plot of land and initiated the document evaluation process with the UTE. Of these plots, 18 were measured by a surveyor and 33 are still being analyzed by the Tax Bureau (DGI). Moreover, six persons affected by the program submitted nonconforming documentation and 32 still have not identified a plot of land. On 17 November 2021, 11 persons affected by the program secured access to public land by obtaining and registering leasing and use rights of land belonging to the Haitian State. As of the writing of this report, the UTE informed the MICI that the documentation of three persons affected by the program who had identified a plot of private land for acquisition had been approved by the DGI, and that the title transfers and their registration with the DGI would be ready in May.

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<sup>4</sup> This information was forwarded to the MICI on 23 December 2020. The reasons for the cessation of employment are not yet known.

**FIGURE 1. State of fulfillment of the “access to land and technical support” option as of 31 March 2022**

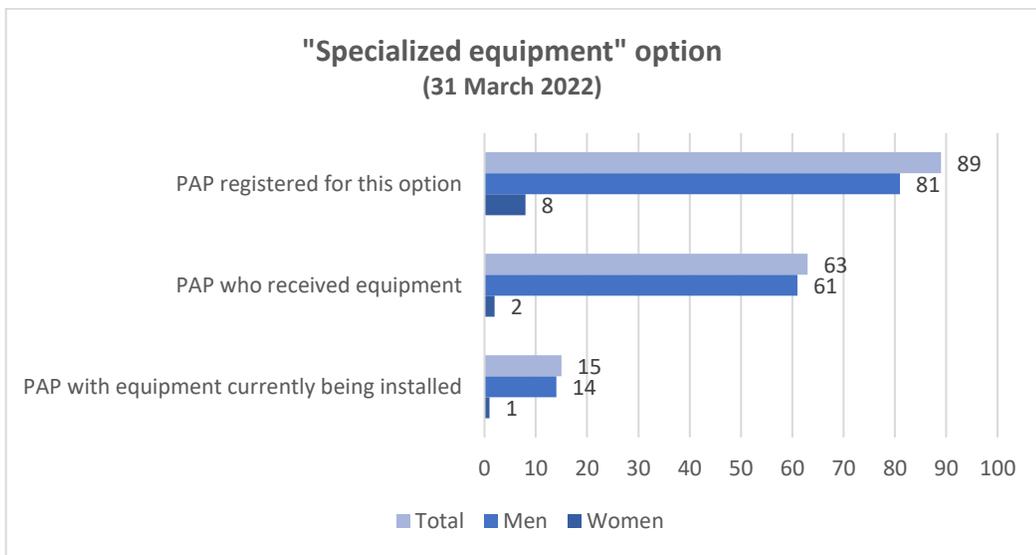


- 3.15 Given the difficulties involved in finding plots of private land in northern Haiti, the MICI, in conjunction with the Parties, identified the need to also facilitate access to land by obtaining and registering leasing and use rights to land owned by the Haitian State as a “State farmer” (*fermier de l’État*). The MICI and the Parties are also working on an amendment to incorporate that option, and on 3 October 2021, the Parties signed that document.
- 3.16 *Specialized farming equipment and inputs (specialized equipment)*: In August 2020, equipment was distributed to 63 persons affected by the project (89 are registered for this option) and work had begun to install it. Those 63 people chose motorized irrigation pumps and the drilling of wells. As of March 2022, the team of the Agricultural and Agroforestry Technological Innovation Program (PITAG) had finalized the necessary installations for the aforementioned 63 persons that had received equipment in 2020.
- 3.17 Upon receiving the equipment, the Requesters raised concerns about the substandard quality of 40 pipes for motorized pump installation. The Requesters and the program team that implemented this option agreed to replace the 40 pipes with better quality ones. IDB Management confirms that the 63 persons affected by the program had received the upgraded pipes.
- 3.18 The Requesters pointed out that 13 of the wells that had been drilled posed problems for accessing water because they were not deep enough. In early February 2022, the Bank gave its no objection for the program implementation team to redrill the 13 wells and, according to the UTE, all 13 cases had been resolved.
- 3.19 The IDB informed the MICI that on 29 January 2022, the PITAG team, in conjunction with the local implementers of this program, held a meeting with

15 persons affected by the program and two representatives of the Kolektif to reach agreement on the installation of motorized irrigation pumps and the drilling of wells on their properties. As of the writing of this report, the UTE has confirmed that the specialized equipment teams had access to these 15 persons and were in the process of implementing these works.

- 3.20 According to information provided by Management on 24 February 2022, 11 persons affected by the program could not be located. The Kolektif a made an effort to locate the persons who had still not been contacted by the PITAG team. The Kolektif also met with the UTE on 8 March, during which the cases of 11 persons were presented. According to an official communication from the Bank and the UTE, these 11 cases will be included in the program.

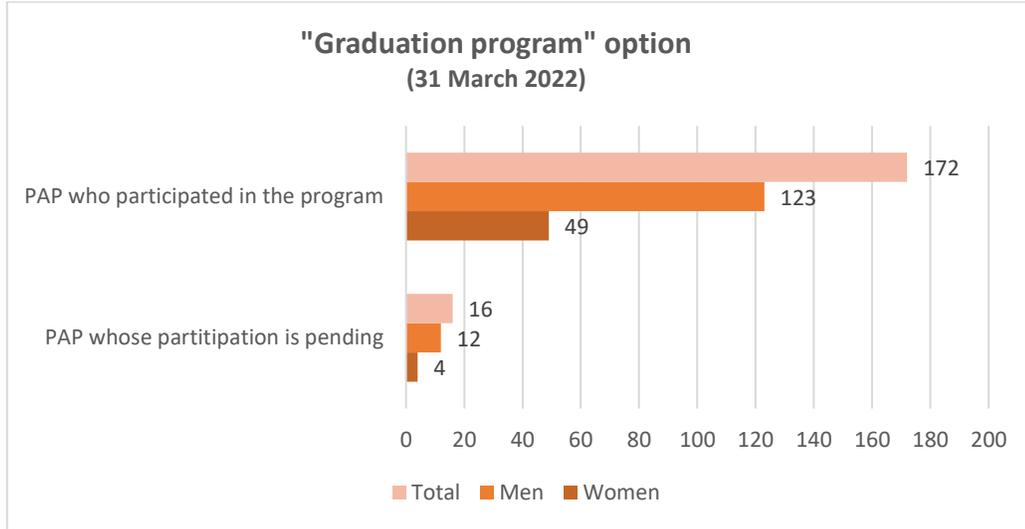
**Figure 2. State of fulfillment for the “specialized equipment” option as of 31 March 2022**



- 3.21 *Graduation program for the most vulnerable focused on small business development and access to microcredit (graduation program):* This component focuses on training for small business creation, and, once the program is completed, the beneficiaries will be able to access microcredit. The program includes a sum of money for each beneficiary to help acquire the start-up asset. This component also facilitates access for persons affected by the program to health services. Following the implementer’s initial evaluation of the beneficiaries, these persons were classified into two categories of the training program: (i) initial training, geared toward persons affected by the program who have no income-generating activities and live on less than 6,000 Haitian gourdes per month; and (ii) training in entrepreneurial activities for persons affected by the program who live on more than G 6,000 per month.
- 3.22 Following an extensive consultation process, the Kolektif, the IDB, the UTE, and the implementer of this option reached agreement on methodological changes to take into account the concerns raised by persons affected by the program regarding this component. Of special concern were the amounts of money for

acquiring assets, given the economic changes in the country since the Agreement was signed. Sonje Ayiti, the specialized organization that is implementing this option, held informational meetings from 6 to 9 April to present the new monetary package available, the new work modalities, and the agendas of the two categories.

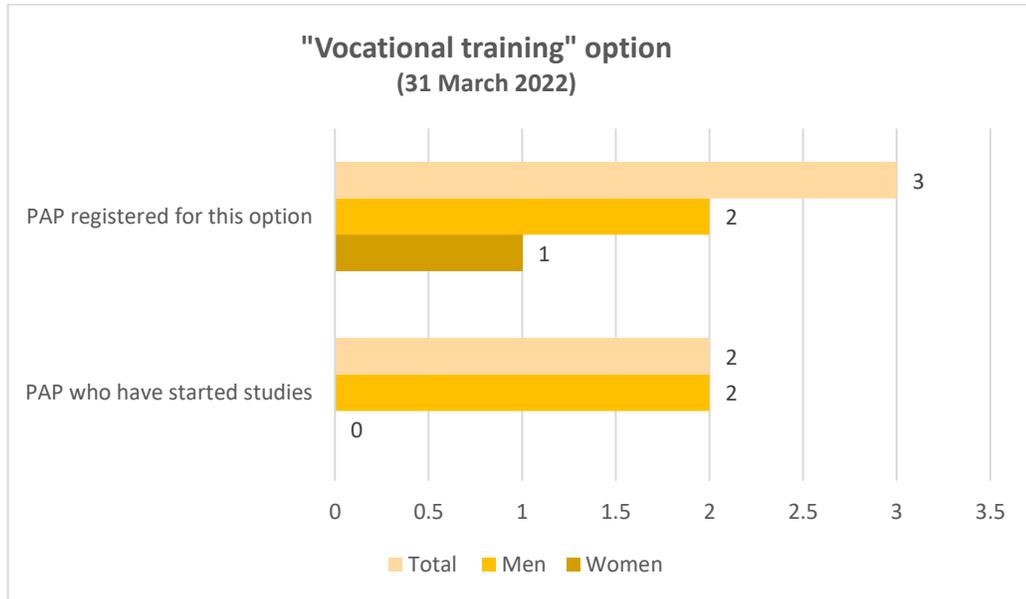
**Figure 3. State of fulfillment for the “graduation program” option as of 31 March 2022**



- 3.23 According to information provided by the UTE, 171 of the 172 persons who participated in the program already received the payments to acquire assets. According to the Requesters’ advisers, there are still 16 persons affected by the program who are registered in this component but were not included in the graduation program. The UTE noted that it is exploring options for accommodating those 16 persons in this component.
- 3.24 The most recent report (1 November 2021) published by Sonje Ayiti underscores that, with the aim of supporting the economic sustainability of the persons affected by the program who are participating in this option, eight communal savings and loan associations have been created through the program.
- 3.25 According to the November 1 Sonje Ayiti survey of the 158 persons who participated in the program, the MICI wishes to point out that (i) 49% of those surveyed said their income increased after investing a portion of their first payment in acquiring assets for their income-earning activities; (ii) 60% joined a savings and loan association; and (iii) 65% invested the money in their small and medium-sized businesses. Furthermore, 85% of the beneficiaries surveyed reported having accessed health services through the program.
- 3.26 *Vocational training:* According to a 15 December 2021 official communication from the UTE, one person affected by the program completed computerized accounting studies, another began studying residential electrical wiring and systems in August 2021, and a third will begin computerized accounting studies in 2022.

3.27 One person affected by the program asked the IDB and the UTE if this component could be readjusted to finance a second year of training, inasmuch as readjustments had been made to other components. With a view to preserving the Agreement’s spirit of restoring livelihoods, Management and the UTE agreed to the request and extend the financing for this option to include a second year of training for the persons affected by the program. In addition, the persons participating in this option were specifically asked to make their best efforts to complete the training cycle and graduate.

**Figure 4. State of fulfillment of the “vocational training” option as of 31 March 2022**



3.28 Provision of school kits. The UTE informed the MICI that some Requesters had not yet picked up their school kits from the PIC, despite having been asked to retrieve them on several occasions by the executing agency.

3.29 Measures relating to the PIC’s environmental and social impacts. Due to the measures to adapt to the pandemic and the technological challenges of communication, the monitoring of the implementation of the corrective measures was given priority for the sake of efficient time management during virtual monitoring sessions. Ample time needs to be given to communicate this information due to its thematic and technical complexity. In light of the fact that travel restrictions remained in effect for part of 2021, a virtual monitoring session devoted exclusively to this component would be held in the second quarter of 2022.

#### **IV. CONCLUSIONS AND NEXT STEPS**

4.1 During the period analyzed in this report, the Mechanism observed considerable progress. In particular, tangible results were achieved in the “access to employment,” “access to land,” “graduation program,” and “vocational training” components. In the third year of monitoring, the MICI observed that 25 persons

affected by the program had gained access to employment, 11 to land, 172 to the graduation program, and 2 to vocational training.

- 4.2 The MICI observed considerable progress in the “access to land” component, since 11 persons registered for that component were awarded rights to lease and use land owned by the Haitian State. The amendment to the Agreement that made it possible to obtain public land was key to the progress observed, and the Mechanism wishes to point up the efforts and commitment of the Parties in the preparation and signature of the amendment. However, in the third year of monitoring, the MICI observed a lack of access by persons affected by the program to private land. It also observed that administrative delays in the processes required to bring this option to fruition pose a risk to progress on this component, since both elements have eroded trust among the actors involved in the real estate transactions to facilitate the purchase of plots for the persons affected by the program.
- 4.3 The MICI also observed less progress in the “specialized equipment” component, as no deliveries of motorized pumps were recorded and the drilling of wells had not yet been completed during the period analyzed. Nevertheless, the MICI observed that 13 wells with problems had been repaired and, as of the writing of this report, 15 persons affected by the program were in the process of accessing their specialized equipment.
- 4.4 To date, the cumulative percentages of the Agreement implemented by component are: “access to employment,” 19%; “access to land,” 11%; “specialized equipment,” 70%; “graduation program,” 91%; and “vocational training,” 66%.
- 4.5 Throughout the period analyzed, there were various structural challenges that impacted fulfillment of the Agreement. The restrictions imposed in response to the pandemic affected implementation and the monitoring activities since they limited domestic and international travel. The third year of monitoring was also affected by a complex sociopolitical environment and precarious security conditions that restricted movements within Haiti. The exacerbation of political instability due to the assassination of president Jovenel Moïse in July 2021, the damage caused to Haiti’s infrastructure by a 7.2 magnitude earthquake, followed by Tropical Storm Grace in August, and the fuel crisis in the last quarter of 2021 hampered the progress made on activities and processes and communication with the Requesters. Specifically, the security situation and the fuel crisis directly impacted the execution timeline for the “access to land and technical support” component, by hindering the land surveying process.
- 4.6 The COVID-19 pandemic has hindered communication with the Parties, particularly with the Requesters. Many of them live in areas with little or no Internet connectivity, and where telephone signals are often unreliable.
- 4.7 With respect to the “vocational training” component, the MICI wishes to highlight the willingness of the Parties and the administrative arrangements made by the UTE and the IDB to ensure that this component finances two years of studies, thus guaranteeing a second year of training for the persons registered for training in residential electrical wiring/systems and providing the other two beneficiaries with access to a second year of studies.

- 4.8 In addition to the need to ensure transparent processes and access to information, it is essential to manage information efficiently and have supporting documentation, as well as help facilitate understanding among the persons affected by the program of the stages and requirements of the processes for accessing the benefits. The MICI observed that many of implementation-related delays were due to discrepancies in the lists of beneficiaries and the lack of clarity regarding the necessary actions and documentation to make headway on the options under the Agreement.
- 4.9 Lastly, as pointed out in the previous report, while the role of the Komité and advisers has been key in terms of mobilizing the Requesters for implementation, the MICI underscores the importance of strengthening communication within the Kolektif, especially in light of the logistical challenges to communication with the persons affected by the program. Inasmuch as the process is entering its fourth year of monitoring, the Mechanism considers it necessary to have clarity regarding the content of the Agreement, its beneficiaries, and the actions required to make headway on each option, with a view to avoiding greater delays in implementation.
- 4.10 The MICI will continue with its monitoring activities in 2022 by organizing and facilitating virtual meetings of the Monitoring Committee. If the circumstances of the pandemic and the security situation in Haiti allow, the MICI will field at least two missions to Caracol and Limonade in the second half of the year to facilitate in-person meetings of the Monitoring Committee and evaluate progress toward fulfillment. The MICI will provide the Parties with ad hoc support as needed and will continue to evaluate any circumstances that could weaken the process. In March 2023, it will issue the Fourth Annual Monitoring Report, which will discuss the actions taken and the progress achieved. According to paragraph 35 of the MICI-IDB Policy, the monitoring period of the Agreement reached is not to exceed five years from the signature date of the Agreement.