

# Quarterly Report

October to December 2008

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## Section I. Introduction

The U.S. Agency for International Development's (USAID) Economic Development for a Sustainable Environment project (DEED) provides an alternative to the previous models of natural resource management (NRM) projects. DEED envisions a market-based approach that integrates improved management of lands and other natural resource assets with expanded enterprise and job opportunities in the production of suitable high-value crops, creating livelihood options for hillside farmers currently trapped in continued poverty. DEED links the management of natural resources to sound conservation while simultaneously offering livelihood options that provide the essential stimulus for promoting sustainable watershed management. The project targets two watersheds initially – the Limbé in the north and the river systems around Montrouis in the west.

DEED creates these linkages by introducing livelihood improvements into all aspects of watershed and natural resource management. DEED helps to establish a collective vision, facilitate participatory planning, and build partnerships in its communities that deliver results through concerted action. It employs innovative approaches to mobilizing target communities and producer groups (PGs) and helps them develop land-use and business plans that not only help protect fragile natural resources but also create employment and business opportunities. DEED unlocks the potential for growth in the two target watersheds by delivering the technical services, training, and business support needed to build the local skills and capacity to sustain growth.

DEED works across six integrated technical components. These are:

1. Strengthening Community-Based Producer Groups, Associations, and Enterprises
2. Promoting Alternatives to Hillside Farming
3. Promoting and Improving Community-Based Natural Resources Management (CBNRM)
4. Assisting the Government of Haiti develop sound NRM Policies and Management Systems
5. Develop Watershed Restoration & Management Plans with Watershed Stakeholders
6. Promote Alliances with the Private Sector to Leverage DEED Resources

The key project results will include:

- A 20 percent increase in household income in target areas as a result of improvements in agriculture, marketing, and off-farm employment.
- At least 50,000 hectares (ha) of fragile land under environmentally sound management—a reduction in unsuitable annual cropping of about 50 percent.
- At least 2,500 ha of priority conservation areas under improved and sustainable management that improves the biophysical conditions of the ecosystems.
- At least 15,000 households deriving improved livelihoods from sound NRM.
- At least \$7 million leveraged from the private sector for investment in enterprise development and watershed management in the target watersheds.

The project is planned to be implemented for five years (January 2008 to February 2013) in two separate phases of 3 and 2 years respectively.

## Section II. Significant Accomplishments

The period ending December 31, 2008 marked the completion of the first full year of project implementation. This quarterly report highlights those aspects of implementation that were significant only in the fourth quarter. As the period closed, DEED could look on some considerable achievements in starting it towards realization of the larger program objectives. Notable results across the seven major requirements included:

- Twelve communities, six from each of the watersheds, participated directly with technical teams in a best practice effort in community mapping of their respective areas, crops and natural resources (e.g. *terroirs*), with innovative GoH training in GIS techniques linked to the exercises.
- Twelve initial producer groups, also six from each of the watersheds, concluded long term MOUs with DEED to improve and diversify production systems in more sustainable and more economically valuable ways.
- Multiple technical assessments and reports have identified many high value production alternatives to annual crops, such as apiculture or fish-culture, and almost 5,000 hectares on irrigated and tenant-farmed land that can provide alternatives to hillside farming or new economic opportunities to project communities and PGs and bring it under more intensive and appropriate management.
- Two extensive assessments of high priority biologically significant sites in the watersheds - one terrestrial and one marine – identified over twenty areas ranging from reefs to beaches to water sources to intact forests for eventual inclusion in DEED’s conservation efforts.
- Finalization of major institutional agreements, MOUs, or important collaboration with other natural resource program implementers in Haiti including the National Center for Spatial and Geographic Information (CNIGS), and USAID projects MSME, Kata and MarChE.

The project has begun submitting regular USAID-format Success Stories for some of these and other achievements; three to date. Below follows the listing of particular results by each of DEED’s Results and Requirements.

### **Result 1 DEED Project successfully launched and stakeholder interaction plan developed**

#### *Requirement 1.1 - Project stakeholders, areas of collaboration and potential conflict identified*

- There was no work undertaken this most recent quarter. Activities here largely concluded in quarters one and two.

#### *Requirement 1.2 - Initial participating watershed producer groups selected*

- DEED completed the first year targets by the end of quarter four. Community maps are complete for 12 participating localities and twelve Memoranda of Understanding were signed between DEED and 6 producer groups in each watershed.

*Requirement 1.3 - Facilitator services developed*

- The proposed methodology and the plan for a training program for service providers and facilitators have been finalized.

**Result 2 Community-based producer groups, associations and enterprises developed and strengthened**

*Requirement 2.1 Transparent, democratic-based, business-run Producer Groups functioning in the watershed and market-shed*

- By-laws and organizational documents for APWOLEM (Limbé) and OPD8 (Montrouis) were completed and submitted and now serve as model documents
- The storms in September and subsequent requests to respond to and provide assistance to local communities significantly set back plans to finalize project activities in the two watersheds including the localities of Camp Coq, Marmelade, and Fond Baptiste. Grant proposals were completed for these groups by the end of the quarter,

*Requirement 2.2 Enterprise initiated and managed by PG*

- DEED completed the summary assessments of markets for targeted agricultural production and promising enterprises.
- PGs targeted for DEED program partnerships are already engaged in important economic activities. In Marmelade APKBA producers grow, process and market coffee and APWOLEM manages a dairy industry. In Camp Coq, Korepa producer members are important yam producers in the zone. In Limbé, CML and CAPUP are key actors in cacao production and marketing. DEED support aims to strengthen these producer groups and corresponding service providers within their respective value chains. Similarly in the Montrouis area, OPD8, AJTAPP, and CUPEC are all PGs with well established commercial activities.

*Requirement 2.3 Markets for produce from watershed investments in enterprises and agriculture/NRM strengthened*

- A market assessment including baseline on promising enterprises was carried out in order to identify the most appropriate value chains to promote. Constraints to the development of targeted agricultural production and recommended policy reforms are discussed in the associated report (D2.3.1 and D2.3.2 were combined for the purposes of work under this requirement).

*Requirement 2.4 Links between PGs, enterprises, and business development and business support services strengthened*

- Discussions with the Chamber of Commerce in Cap Haitien have resulted in interest from members of the Chamber's agriculture and environment commission in collaborating with DEED. An agreement was signed between DEED and the Chamber in late December 2008,

expressing the Chamber's interest in providing an organizational framework and training to small and medium enterprises working with producer groups in both the watershed and greater market-shed.

- DEED released an RFP to engage a Haitian organization to provide capacity building services to targeted producer groups. Selection will be made in the first quarter of 2009

*Requirement 2.5 The PGs gain access to mid- to long-term sources of capital*

- UNIBANK Limbé has shown interest in extending loan products to producers in the Limbé watershed. DEED staff will discuss potential options with UNIBANK and with SOGEBANK, BNC, and other financial Institutions in Montrouis water and market sheds .
- DEED staff members participated in the MSME - RAF training program 19-21 August. Limbé watershed based institutions invited were UPAM, KEKAM, CPRD, and FONKOZE. For Montrouis watershed, DEED staff was invited for the MSME-“Developpement de Nouveaux produits financiers pour les filières agricoles” training program held December 15-16 at Indigo Hotel. Organizations invited were CUPEC, AJTAPP, OPD8, APWOMOPA, APDDL,COLUC,CAPOSOV,DID/FECAPH and KPK.
- Baseline on MFIs and potential banks providing services in both watershed areas (Montrouis and Limbé), was completed in the fourth quarter.

*Requirement 2.6 Partnerships between selected entrepreneurs and SMEs and PGs strengthened, and result in increased revenue for all parties*

- A Private Public Alliance (PPA) between CAPUP, cacao cooperative; FECCANO, cacao cooperative federation for the North; and Novella Enterprise, cacao exporter has been under negotiation this entire quarter. The PPA plans to explore the possibility of attaining organic certification, stimulate cacao production, and improve collection mechanisms.
- The Producer Group CUPEC in Fond Baptiste is in talks with Hotel Xaragua aimed at establishing an agreement under which CUPEC will provide the hotel with fresh vegetables.

**Result 3 Alternatives to hillside farming (area under improved management) increased**

*3.1 Nonfarm businesses supported*

- DEED continued discussions with Hotel owners on the development of historical and natural tourist attractions in Bas-Limbé area with special focus on the Islet de Limbé.
- Discussions with Royal Caribbean Cruiselines revealed that Labadee's tourist art market is a potential outlet for Limbé watershed produced handicrafts. Marmelade production of bamboo baskets holds promise for this and other tourist markets and will be the subject of separate STTA next quarter.
- In Montrouis, the commercial production of honey in Pierre Payen and dairy products in Ivoire are both promising initiatives being pursued by DEED.
- A survey of non-farm SMEs has been completed and the first report is now being finalized.

### *3.2 Contract farming agreements signed between PGs, MSMEs and entrepreneurs in order to increase formal agriculture production*

- The market garden activity for the Marmelade/Bassin area in the upper watershed links 50 hillside farmers with those in the lowlands in labor-for-land contract agreements.
- There is a high potential for contract farming in Bas-Limbé. Discussions continue with AAPL in the organization of a contract farming activities in the Bas-Limbé plains. Two important challenges related to this activity are 1) the lack of documented land tenure information on the part of interested producers and 2) the vulnerability to flooding in the zone as acutely evidenced by the devastation caused by the September hurricanes to the area.
- In Montrouis, several hotel owners are interested in developing supply contracts with local PGs. However, no agreements have yet been formalized.

### *3.3 Tenant farming increased in lowlands*

- There are very few large landholders in the Limbé watershed and this activity will not be pursued here at this time. In Montrouis, multiple large landowners are interested in working with DEED and local planters to introduce tenant farming arrangements. A detailed report on the potential for promoting tenant farming in the Montrouis watershed was completed this quarter.

### *3.4 Alternative forms of labor identified for hillside farmers*

- Several options have been identified in Marmelade and Bas-Limbé areas and are being discussed with stakeholders and land-owners (public and private). Bas-Limbe offers potential in creating employment through more intensive agricultural production providing work for surrounding hillside farmers.
- Similarly in Montrouis, alternative opportunities for labor mostly in the non-agricultural sector(s) are being assessed and evaluated (see 3.1 above).

### *3.5 Productivity of small irrigated perimeters increased*

- Preliminary studies have shown a very marginal opportunity in Limbé for irrigated production; only Haut-Limbé - Lombard has an area has an artisanal irrigation system in place and could be improved with permanent structures and formal irrigation systems.
- The potential in Montrouis for increasing the productivity of irrigated perimeters is much higher. Maps of all the irrigation systems in Montrouis have been prepared. A report including maps has been submitted for all existing irrigation systems Montrouis.

## **Result 4 Communities' natural resources base protected and production increased**

### *4.1 Access to information about production and conservation technologies increased*

- An initial inventory of promising technologies and agricultural practices was completed to include potential for a farmer to farmer visit program for watershed producer groups. The strategy document for the training program was submitted this quarter.

#### *4.2 Community land-use plan established and implemented*

- In Limbé, community mapping exercises under Requirement 1.2 have been completed in six communities - Bassin/Marmelade, Camp Coq, Peltan, Ravine des Roches, Normand/Bas-Limbé, Acul Jeannot/Limbé. These maps identify land-use patterns, and are the first step towards land-use plans and NRM planning at the sub-watershed level.
- Similarly, in Montrouis, community mapping has been completed for the six communities in Ti Bois, Fond Baptiste, Ivoire, Freta, Roseau, and Piatre.
- These are serving as direct inputs for community land-use maps and subsequent plans now under development for this requirement. As future Producer Groups are incorporated into the DEED program, further communities may be identified and their “*terroirs*” included

#### *4.3 Annual crops on steep hillsides replaced by perennial crops and other non erosive forms of ground cover*

- Apiculture and aquaculture which require trees for both nectar and green manure for compost, respectively, have been discussed with several groups in Limbé. In Montrouis, the AJTAPP Producer Group is successfully producing and marketing honey, and in Ti Bois a fish farm has been operating successfully for over two years. Both apiculture and aquaculture enterprises will be reinforced and extended in 2009.
- Continued planning for the replacement of erosive bean and manioc cultures with target activities including fish culture and vegetable gardening in Marmelade and with the expansion of yam *permaculture* in Camp Coq areas. Expansion of cacao production and organic certification proves to be very interesting to all parties involved. Organic cacao prices are considerably higher than traditional cacao and therefore offer an important incentive to increasing cacao production in the market-shed. The DEED grants mechanism was initiated to provide targeted incentives to promote these activities. This grants mechanism was widely advertised in both watershed and market-shed areas.
- A ‘request for Proposals’ form was developed and distributed in both watersheds. Over 80 1-page proposals have been received in the Limbé office and the regional review committee has screened them with 2 proposals from Limbé and one from Montrouis were approved by the regional committee and submitted to USAID.
- Limbé and Bas-Limbé: FECANO, CAPUP and CML are working with NOVELA to finalize an MOU for collaboration in the improved marketing of cacao.
- A Memorandum of Understanding with MarChE contractor has been signed and initial discussions on areas of potential collaboration are underway.

#### *4.4 PGs and individual smallholders able to access reliable and competent non-project (sustainable) agricultural extension services*

- Potential facilitators have been selected (see 1.3) and will be trained during first quarter 2009. These service providers will be available to PGs and smallholders on a fee-for-service basis.

- A plan for integrating the GOH ministry staff in a fee based agricultural services program has been developed.

#### *4.5 Sustainably financed community-based natural resources management of biologically significant sites initiated*

- FoProBiM and Joel Timyan have conducted in-depth studies of both marine and terrestrial biodiversity in both watersheds. They have identified a number of important and biologically significant sites and the necessary survey reports were submitted.
- Two activities in Bas-Limbé are being developed to 1) biodiversity conservation on the Islet de Limbé through ecotourism and 2) establish a management plan for the mangroves in the coastal zone.
- In Montrouis, the gazetting of a marine park around the Arcadins Islands is being actively pursued. The Ministry of Environment is strongly supportive. It is expected that the MPA will be gazetted in 2009. A second high priority site – the lake Bois Neuf at Pierre Payan was identified and will also be included in this watershed's upcoming work.

### **Result 5 GOH watershed management policies facilitate resource management and are coordinated between ministries and with local governments**

#### *5.1 Policy constraints identified, assessed and recommendations made in a participatory manner*

- Current legislation related to watershed management in Haiti has been reviewed. The report outlining watershed policy constraints was developed and submitted this quarter

#### *5.2 GIS, mapping, planning, and knowledge management system supported*

- Participatory mapping exercise supported by GIS team data collection carried out in the 12 communities in both watersheds. DEED program staff and CNIGS staff worked in tandem to combine national level GIS data with local community maps. These maps are the basis for the community- based natural resource planning exercises planned in 2009.

#### *5.3 Community-based natural resources management supported*

- An initial training on the use of GIS in developing basic natural resource management plans was carried out in October 2008 with GOH counterparts from the Ministries of Agriculture and Environment from the National, Departmental and Communal levels. A separate report on this activity is available.

## **Result 6 Watershed restoration plan developed and implemented by watershed stakeholders.**

### *6.1 Watershed governing and decision-making structure established*

- Participatory mapping exercise with 12 local communities including local GoH authorities is developing a foundation for the establishment of micro-catchment governing bodies to be later integrated into a larger watershed level management committee in 2009-2010.

### *6.2 Participatory land-use plan developed for watershed*

- Participatory community mapping will be expanded beyond the 12 initial communities and land use planning exercises initiated in 2009. The community land use maps will be integrated into land-use and natural resources management plans that will then form the basis of new watershed management plans.

### *6.3 Participatory disaster plan developed for watershed*

- Initial discussions on collaborating with OXFAM on supporting local disaster plans for Communes of Limbé and Bas-Limbé have been carried out.

### *6.4 Common watershed protection infrastructure rehabilitated or constructed*

- In response to hurricane damage, the USAID-funded DEED and KATA projects have concluded an MOU for collaboration. Their teams have identified critical areas requiring intervention. In the Limbé watershed these include 1) Camp Coq erosion control over the Route No. and Camp Coq urban area; and 2) the Bassin road in Marmelade which is in serious disrepair.
- In the Montrouis zone, the road to Piatre and infrastructure in the Ti Bois upper watershed will be repaired. An engineering SME based in St Marc has been engaged to develop the specifications for the Piatre road work. This work includes the repair of the irrigation system at several points along the road.

## **Result 7 Alliances established with the private sector to leverage USAID resources**

### *7.1 - At least \$7 million of non USG non-donor resources are leveraged to further the objectives in support of contract results and requirements*

- Novella, a cacao export company in the North, has expressed interest in investing approximately \$200,000 into cacao production and processing networks in the Limbé area.
- Three prominent entrepreneurs in the Cap-Haitien area are studying options to develop an ecotourism product for the Royal Caribbean tourism market for Islet de Limbé.
- Brief concept papers for PPA activities were submitted to DEED to determine interest.
- In Montrouis, several promising initiatives are under discussion. Heifer Project International (HPI), based in Little Rock, Arkansas, is a partner in the work DEED plans to expand small livestock production with OPD8 in Ivoire.

*7.2 - System for channeling Diaspora funds and expertise to producer groups, watershed enterprises and watershed management councils in place*

- DEED opened discussions with the Florida Association for Volunteer Action in the Caribbean and Americas (FAVACA) to develop an MOU for diaspora technical assistance for DEED's NRM activities.

*7.3 - Other sources of donor funding and expertise identified*

- An MOU has been signed with CHF outlining the areas of cooperation between DEED and the KATA project
- MSME has provided specific technical advice to DEED on microfinance efforts and also provided training to microfinance institutions and producer groups from the two watersheds.
- CHF/KATA program staff has provided expertise in the assessment of Camp Coq and Bassin /Marmelade rehabilitation activities to be implemented in early 2009.
- FAO has agreed to provide additional technical assistance in Marmelade for the fish farming and market garden program. OXFAM is willing to collaborate in further developing disaster management plans in Limbé and Bas-Limbé. AFDI has already provided technical expertise in preliminary assessments of mangrove areas in Bas-Limbé and is willing to assist with the development of a mangrove management plan for the area.

**Result 8 Crisis modifier/rapid response mechanism**

*8.1 - Contractor plans upon written request from CTO to respond to man-made or natural emergency events impacting on targeted results*

- USAID did not execute the Crisis Modifier during this period.

### **Section III. Summary of Deliverables and Milestones**

The final three months of 2008, the fourth consecutive quarter, represent a period of accelerated implementation for DEED. All told, the project submitted 12 scheduled deliverables and four milestones. This brings it to a total completion of eighteen of thirty-one deliverables and eight of twelve Milestones due by the end of the fourth quarter. The individual submissions of the last period are below. The scorecard for the project implementation to date follows in two tables thereafter.

#### **Deliverables**

- 1.2.1 Community identification assessment and map
- 1.2.2 List of selected producer groups and signed contracts
- 1.3.1 Facilitators training program and rating forms and survey methodology
- 2.1.1 Initial two Producer Groups (PG) by-laws
- 2.2.1 Summary Market assessment/feasibility study report of promising enterprises
- 2.3.1 Market constraints in Watershed Assessment and production baselines
- 2.3.2 Combined and submitted with 2.3.1
- 4.2.1 Participatory Land use maps (in part with 1.2.1)
- 4.3.2 MOU with MarChE contractor
- 4.4.2 Action Plan for integrating GOH ministry staff
- 5.1.1 Assessment report on watershed policy constraints
- 7.1.1 Concept papers for alliance proposals

#### **Milestones**

- 1.2.1 Initial 12 Producer Groups selected
- 2.3.1 Assessment to identify business linkages and market constraints to targeted watershed production
- 4.3.1 Collaboration with MarChE contractor formalized
- 4.5.1 Biologically significant sites identified
- 5.1.1 Assessment of policy constraints in the watersheds completed

## DEED Contractor Deliverables Schedule Quarters 1 through 4, 2008

	Due Date
1.1 Workshop report including participant's list (in English and French)	<b>Q2</b>
1.1 Action plan for collaboration/ conflict avoidance	<b>Q2</b>
1.1 Modifications to Work/milestone plan based upon workshop and a donor conflict mitigation strategy	<b>Q4</b>
1.2 Community identification assessment and map	<b>Q3</b>
1.2 List of selected groups and signed contracts	<b>Q3</b>
1.2 Bi-annual performance assessment	Q3
1.3 Facilitators training program and rating forms and survey methodology	<b>Q2</b>
2.1 Initial two Producer Groups (PG) by-laws (in English, French, and Creole)	<b>Q3</b>
2.2 Summary Market assessment/feasibility study report of promising enterprises	<b>Q3</b>
2.3 Market constraints in Watershed Assessment and production baselines	<b>Q3</b>
2.3 Policy and Systems constraints Assessment	<b>Q3</b>
2.3 Baseline on sales and business transactions for Mme Sarah	Q3
2.3 Baseline and semi-annual updates on number of products marketed efficiently	Q3
2.4 Training program plan on organizational and enterprise management	Q2
2.5 Results of Survey of potential banks, "Start-up" Capital Fund managers and other credit partners	Q3
2.6 Results of promising entrepreneurs and SMEs survey	Q3
3.1 Baseline report on all types MSEs	Q3
3.1 & 3.2 Documented success stories of non farm SMEs Contract , and Tenant type Farming (Eng, Fr, and Creole)	Q4,
3.4 Report on labor opportunities and patterns	Q3
3.5 Survey and maps on irrigation/drainage systems	<b>Q4</b>
4.1 Results of promising technologies and methods survey	Q4
4.1 Evaluation and recommendations on using a farmer-to-farmer visit program	<b>Q4</b>
4.2 Participatory Land use maps	<b>Q4</b>
4.2 Documented success stories of PG enterprise/soil conservation plans ( in English, French, and Creole)	Q4,
4.3 Plan for using targeted incentives and corresponding grants manual	<b>Q2</b>
4.3 MOU with MarChE contractor	<b>Q2</b>
4.3 Assessment reports on constraints to investing in perennial crops	Q3
4.4 Action Plan for integrating GOH ministry staff ( in English, French, and Creole)	<b>Q3</b>
5.1 Assessment report on watershed policy constraints	<b>Q3</b>
5.2 Signed agreement with CNIGS and E.U.	Q2
5.2 Written Procedure for accessing and uploading data	Q4
7.1 Concept papers for alliance proposals (requirement 7.1)	<b>Q3</b>
7.3 Memoranda of Understanding or other signed agreement formalizing Alliance (requirement 7.1)	Q4

## DEED Contractor Milestones Schedule Quarters 1 through 4, 2008

		Due Date
1	1.1.1. Convene workshop to identify areas of collaboration and produce action plan 1.2 Initial 12 Producer Groups selected	Q2 Q4
2	2.3 Assessment to identify business linkages and market constraints to targeted watershed production 2.1 PGs graduate from accreditation program	Q3 Q4
3	3.1 Database of non-farm MSMEs complete 3.4 Establishment of a mechanism for information on alternative forms of labor for hillside farmers 3.5 Updated maps of irrigation/drainage systems 3.3 Identification of potential hosts of tenant farmers identified each year 3.2 TA provided to PG-MSME-Entrepreneur new partnerships per year	Q4 Q4 Q4 Q4 Q4
4	4.3 Collaboration with MarChE contractor formalized 4.5 Biologically significant sites identified	Q2 Q4
5	5.1 Assessment of policy constraints in the watersheds completed 5.3 Training provided to GOH personnel in the development of simple WM plans	Q3 Q3

## Section IV. Status of Key Indicators (F)

Following the Data Quality Assessment Meetings with USAID staff in November, the project settled on the below as accurate reporting of progress against the “F” indicators through the period ending September, 2008. These are updated only on an annual basis.

### F Indicators: Program Target, Achievement and Current Status

		Program Target	Complete	Current status
<b>Program Areas Indicator: 4.5 Agriculture</b>				
4.5.0.1	% increase in value from sustainable products	20%	0	Too early
4.5.0.1	value of sustainable products	\$ 5M	0	Too early
<b>Program Element Indicator: 4.5.1 Agriculture Enabling Environment</b>				
F- 4.5.1.1	# of policies/regulations/administrative procedures analyzed as a result of USG assistance	4	2	Prelim Assessment Completed
F- 4.5.1.2	# of policy reforms presented for legislation/decrees as a result of USG assistance	4	0	Prelim Assessment Completed
F- 4.5.1.3	# of institution/organizations undergoing capacity/competency assessments as a result of USG assistance	35	12	6 – Limbé 6 – Montrouis
F- 4.5.1.4	# of institutions/organizations making significant improvements based on recommendations made via USG supported assessment	14	0	Too early, in progress with producer groups, local government, GOH.
<b>Program Element Indicator: 4.5.2 Ag Sector Productivity</b>				
4.5.2.3	% change in value of purchase from small holders of targeted communities as a result of USG assistance.	20%	0	Too early
F- 4.5.2.4	# of new technologies or management practices made available for transfer as a result of USG assistance.	10	0	Too early
F- 4.5.2.5	# of additional hectares under improved technologies or management practices as a result of USG assistance.	5,000	0	Too early
F- 4.5.2.7	# of vulnerable households benefiting directly from USG assistance	15,000	835	Via DEED Training
F- 4.5.2.7	# of vulnerable MALE-headed households benefiting directly from USG assistance	12,000	688	Via DEED Training
F- 4.5.2.7	# of vulnerable FEMALE-headed households benefiting directly from USG assistance	3,000	147	Via DEED Training
F- 4.5.2.8	# of RURAL households benefiting directly from USG interventions.	15,000	44	All beneficiaries are from rural areas.
F- 4.5.2.9	# of producer organizations, water user associations, trade and business associations, and CBOs receiving USG assistance	48	18	Of which 16 CBOs and 2 Non-farm enterprises.
F- 4.5.2.10	# of agricultural-related firms benefiting directly from USG supported institutions	20	1	Novella
F- 4.5.2.11	# of public-private partnerships formed as a result of USG assistance	6	0	1 in progress
F- 4.5.2.12	# of individuals who have received USG supported short term agricultural sector productivity training	15,000	44	Cocoa/Yam assessment training

4.5.2.12	F- # of MALEs who have received USG supported productivity training	12,000		41	Cocoa/Yam assessment training
4.5.2.12	F- # of FEMALEs who have received USG supported productivity training	3,000		3	Cocoa/Yam assessment training
4.5.2.13	F- # of women's organizations/associations assisted as a result of USG support	5	0		In Progress
4.5.2.14	# of MSME's receiving business development services as a result of USG assistance	30	0		Not yet started
<b>Program Element Indicator: 4.7.3 Strengthen Microenterprise Productivity</b>					
4.7.3.1	F- Total # of micro enterprises receiving finance from participating firms in a USG assisted value chain (Farmers =OTHERS)	15	0		Survey on banks and credit suppliers completed.
<b>Program Areas Indicator: 4.8 Environment</b>					
<b>Program Element Indicator: 4.8.1 NRM and Biodiversity</b>					
4.8.1.1	F- # of hectares under improved natural resource management as a result of USG assistance	50,000	0		15,000 ha where landscape approach applied
4.8.1.2	F- # of hectares in areas of biological significance under improved management as a result of USG assistance	2,500	0		Sites identified. Assessment in progress
4.8.1.2	F- # of hectares in MARINE areas of biological significance under improved management as a result of USG assistance	300	0		Assessment report completed.
4.8.1.2	F- # of hectares in TERRISTRIAL areas of biological significance under improved management as a result of USG assistance	2,200	0		Sites identified. Assessment in progress
4.8.1.3	F- # of policies, laws, agreements or regulations promoting sustainable natural resource management and conservation that are implemented as a result of USG assistance.	2	0		In progress
4.8.1.4	F- # of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.	75,000	0		Too early
4.8.1.4	F- # of MALEs with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.	36,000	0		Too early
4.8.1.4	F- # of FEMALEs with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.	39,000	0		Too early
4.8.1.5	F- # of people receiving USG supported training in natural resources management and/or biodiversity conservation	15,000	791		Training production/NRM
4.8.1.5	F- # of MALEs receiving USG supported training in natural resources management and/or biodiversity conservation	12,000	647		Training production/NRM
4.8.1.5	F- # of FEMALEs receiving USG supported training in natural resources management and/or biodiversity conservation	3,000	144		Training production/NRM

## Section VI. Implementation Challenges and Responses

This section examines two particular challenges to the implementation of the DEED project as designed. These are:

1. Slower than anticipated mobilization and first year's implementation; and
2. Haitian partner limitations.

The DEED contract was issued in mid-January, 2008. Though mobilization began immediately in Haiti, this was over one-half year later than anticipated in proposal. This would have some consequences on how the project began. Overall, and as noted in the earlier presentation of field achievements to date, DEED has seen an obviously slower than anticipated launch and first year of implementation. In looking back, there appear two principal origins to this. Both are discussed briefly here.

### **First, project organizational difficulties set back mobilization and early implementation.**

Problems included the recruitment of Haitian professional staff for key technical positions and a focus on establishing a Port-au-Prince main office in the capital and the resultant delayed deployment of resources to the field, slower procurement of vital start up equipment, and project management systems that were not established at the outset. While some of this may be expected for a completely new project, DEED was ostensibly building off previous USAID/Haiti activities, albeit one then closed for some time with staff released to take other jobs and offices relinquished while the DEED award process took its course.

The staffing issue was the most challenging and remains so as DEED starts its second year. Experienced Haitian professionals are unwilling to agree to posts in remote offices, preferring to stay close to their usual residences and networks in the capital. Short-term assignments, with conditions, were acceptable in some instances. DEED overcompensated by accommodating short-term offers and also by initially developing its office in Port-au-Prince at the expense of a prompt transition to full-scale field implementation.

Early procurement, especially for vehicles, power generation and IT equipment, was slow as the contractor dealt with source/origin restrictions not required in its previous local programs. This resulted in five to six month delays in establishing effective field offices in both Montrouis and Cap Haitian. Communications and management systems started to be introduced on only after the minimally equipped offices began functioning.

**Response:** the contractor took action in the second half, to address directly these limitations. Among the steps taken include: completing the planned staffing of field offices, drawing on younger professionals and those already in the field locations; considerably reducing the footprint of the Port-au-Prince office while concomitantly sending more resources to the field; replacing the Chief of Party; introducing appropriate management and communications systems among the project offices, especially the delegation of authority to the Regional Coordinators; changing the character and supervision of external project short-term technical assistance assignments; and, building a new roster of Haitian consultants. All are showing promising

results in getting DEED back to its projected pace, with a significantly more productive fourth quarter under its belt.

The second impediment to implementation last year was the **unexpectedly severe and wide-spread damage of the 2008 tropical storm season**. In August and September, four strong hurricanes struck the islands, causing landslides, destroying crops, washing out roads and bridges and generally bringing community life in some areas to a standstill. For a rural development and field-based effort such as DEED, the timing could not have been worse, at the beginning of an agriculture season just as project teams got on a sound footing, with communities and producer groups isolated or distracted just as DEED made its final community and group selection. Implementation was halted as staff responded to legitimate emergency needs and requests from the client and implementing partners for assistance and accurate information.

**Response:** DEED redoubled its efforts in the last quarter to complete its start-up activities with the communities and producer groups, finalizing its twelve community-based mapping exercises, signing twelve producer group MOUs, organizing its implementation around securing the full participation with these local partners and then beginning the grant-making process with them. Four grants were finalized and all deal with rebuilding elements of production impacted by the hurricanes. DEED also completed an MOU with the KATA program (USAID's national public works and employment project) to revitalize critical watershed infrastructure following USAID concurrence on moving those aspects of DEED's implementation forward. This work is now underway.

The second major challenge to the implementation of DEED lies in the character and capacity of the intended Haitian partners designated under its model. There is a general weakness among the partners that is clear at three distinct levels: direct technical Ministry counterparts, especially at the field level; local producer groups; and the Haitian private sector the enterprises constituting the value chains around these producer groups. All three impinge negatively on DEED.

The project's intended national counterparts are **the Ministries of Agriculture and Environment; both are weak at the operational and policy level**. There are either no budgetary resources or personnel, frequently both, at the Commune level and below for both Ministries. There is an intense rivalry between the long-standing Ministry and the newer agency with a still to be determined clear role in existing over-lapping policies. A dedicated and enabling regulatory framework for local watershed management is still lacking. All of this seriously constrains effective GoH participation as well as achieving some DEED's overarching programmatic objectives.

**Response:** The project has developed a strategy for incorporating GoH personnel. It targets field staff of either Ministry (where they exist) and will use technical training and more direct participation as motivating factors. It attempts to treat equitably both the MoA and MoE. The USAID CTO is actively pursuing policy and regulatory enhancements at the national level through a Working Group on Watershed Management in which the Ministries and other interested international donors take part. DEED is adopting a much more collaborative and

supportive role in that work anticipating that success at the leadership level will translate to field programs, especially in water resources management, which cuts across both Ministries.

DEED's closest field partner are the targeted producer groups (PG), being both the object of many of the project's strengthening objectives as well as a recipient of funding through the grants under contract mechanism. Twelve were selected this year and another 12 and then 24 are scheduled for inclusion in the next two years. DEED is drawing on previous USAID work under other projects with similar field-based PGs. Some weaknesses of these had been anticipated, and while the better PGs were the intended targets, on the whole **DEED PGs are not as organized, experienced or capable as had been planned**. After the exhaustive assessment phase, and now in the direct partnering phase, it has been noted that PGs weaknesses pose a strategic obstacle for the project.

In breaking with customary development practice, DEED's approach is to be as business-like and non-paternalistic as possible. Support to the PGs is to be handled by other Haitian service business provider (BSP) enterprises along a strictly business formula. That system has yet to be installed by the project, however, the levels of capability, even among the best-judged PGs remains such that DEED has been required to give more direct [project staff] support than designed for, delaying the setting up of the BSP-PG mechanism as well the first round of grants. Much emphasis is now going into developing a flexible and strong BSP support mechanism.

**Response:** DEED is investing considerable time and technical assistance in initiating the farmer-to-farmer training and the BSP-PG mechanisms under the project. The latter, especially, must be well adapted to the realities of the Haitian landscape with the right service providers working through well adapted assistance models and tailored voucher (to PGs) systems. The project's performance monitoring system will be strengthened to follow more closely and accurately PG progress. DEED will complete the launch of both these systems in the fifth quarter (January – March 2009).

Finally, the DEED model in engaging local participation, through grants and public-private alliances (PPA), depends extensively on mobilizing contributed partner resources. The weaknesses in the PGs as a group were noted above. Grants require only a 25% matching contribution which is consistent with USAID models in Cooperative Agreements with US-based organizations. PPAs on the other hand, using the DEED criteria, require a 2:1 resource commitment from the local partner(s) for any DEED (USAID) input. Early experience is showing that, in general, **Haitian private sector entities are very reluctant to contribute as partners and share risk in proposed productive ventures at the mandated levels**.

This is testing the concept of partnership at an exceptional level. Certainly, recent development history in Haiti is not noted for stringent community or private-sector engagement and most donors lower their institutional expectations in this regard. The current sharp economic downturn in the world economy is not conducive. There is also a history of individualism and sole-proprietorship in Haitian commerce that inhibits more collaborative effort. Most agricultural value chains are fragmented and dominated by extremely small, unorganized effort in any support sector – finance, production, transport or transformation. Working collectively

has shown to be difficult, insisting on substantial investment from PGs and Haitian entrepreneurs as a *sine qua non* for project assistance in strengthening aspects of a given value chain is proving extremely so. DEED has not yet identified a clear formula for attracting such partnerships at the very large scale (\$1,100,000 DEED against \$2,200,000 private sector, per annum) envisaged.

**Response:** With the delays in the grant/PPA implementation manual and the attention to this only in the fourth quarter, this aspect of project implementation is only now coming to light. DEED managers will have to examine more closely the causes of partner reticence. Likewise it will have to adjust (or repackage) its current model for promoting PPAs especially.

## **Section VII. 2009 Work Plan Summary**

The next year's work plan is under development as this report is being prepared. However, certain important directions and major activities are clear at this time. 2009 will be a year of taking the preparatory work and relationship building (with local partners) and translating it into very direct results and progress towards the larger program objectives. Below are, in summary form, the most important already anticipated outcomes for the next year, organized by Results. These are driven by each Results stated Standards and measured by the accepted Project and USAID indicators in DEED's Performance Monitoring Plan. Further information is contained in the separate document DEED 2009 Work Plan Details.

### **Result 1 DEED Project successfully launched (and extended)**

- 12 additional PG MOUs completed with groups incorporated straight into implementation activities;
- Up to 8 additional community "*terroirs*", according to PG selection, mapped and incorporated into planned activities;

### **Result 2 Community-based PGs, associations and enterprises developed and strengthened**

- Contracted Business Service Provider(s) linked to targeted PGs and SMEs via a tailored voucher program designed to strengthen an association's governance and business management capabilities functioning in both watersheds;
- A PG graduation program recognizes group achievements;
- At least eight sustainable production technologies in advanced stages of adaptation among the PGs;
- DEED's farmer-to-farmer training program finalized with qualifying model sites and extended to at least 100 PG participants;
- The DEED NRM Fund is established and extending credit to PGs and other SMEs;

### **Result 3 Alternatives to hillside farming (area under improved management) increased**

- At least five irrigated perimeters for 500 hectares under improved management system and offering economic livelihood opportunities to DEED targeted communities;
- At least five tenant farm systems for 1,500 hectares under improved management system and offering economic livelihood opportunities through tenant farming to DEED targeted communities;
- At least two non-farm value chains (one in each watershed) strengthened and developing alternative economic livelihood opportunities for DEED targeted communities;
- Targeted PGs engage with entrepreneurs on contracted production basis (at least 16 of 24 PGs by year's end have at least one active contract);

#### **Result 4 Communities' natural resources base protected and production increased**

- Complete at a minimum of 12 and up to 24 community land use maps with necessary community education in the targeted areas;
- Complete at least one Marine Protected Area and one Terrestrial Protected area designations (gazette) for the biologically significant sites;
- Bring at least 800 hectares of biologically significant areas under improved NRM practices;
- DEED initiates its fully functional agriculture production extension service based on private sector capacity and delivery;

#### **Result 5 GOH watershed management policies facilitate resource management and are coordinated between ministries and with local governments**

- CNIGS MOU implemented with increased institutional capacity to host, distribute and use NRM data in compatible format(s);
- DEED completes a major policy revision initiative with the appropriate Ministries (Environment and Agriculture) permitting the local management of watersheds and their natural resources;
- DEED finalizes a Manual of Best Practices of NRM and Watershed Management in Haiti and starts training GoH staff;

#### **Result 6 Watershed restoration plan developed and implemented by watershed stakeholders**

- First steps in completing comprehensive watershed management plans that include governance, disaster, infrastructure and land use planning elements in both areas;

#### **Result 7 Alliances established with the private sector to leverage USAID resources**

- At least 8 major PPAs concluded with a value of \$2 million in DEED contributions
- Diaspora voluntary technical assistance mechanism in place through MOU and delivering matched TA;
- At least 4 other donor agreements (with non-USAID donors) contributing to DEED activities in the two watersheds.