

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC6068

Project Name	HT Sustainable Rural and Small Towns Water and Sanitation Project (P148970)
Region	LATIN AMERICA AND CARIBBEAN
Country	Haiti
Sector(s)	Sanitation (15%), Water supply (64%), Public administration- Water, sanitation and flood protection (20%), Forestry (1%)
Theme(s)	Rural services and infrastructure (79%), Water resource management (1%), Decentralization (20%)
Lending Instrument	Investment Project Financing
Project ID	P148970
Borrower(s)	Ministry of Economy and Finance, MEF
Implementing Agency	DINEPA
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	25-Jun-2014
Date PID Approved/ Disclosed	17-Jul-2014
Estimated Date of Appraisal Completion	
Estimated Date of Board Approval	07-Jan-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Nine months after the devastating 2010 earthquake that caused the deaths of over 200,000 people, displaced 1.5 million people, and created reconstruction needs estimated at US\$11.3 billion, Haiti was struck by a cholera epidemic. Lack of access to clean water and sanitation enabled the disease to spread rapidly across the country. Nevertheless, despite dealing with a low GDP per capita (US\$771 in 2012) and lagging in social indicators (ranking 161 out of 186 in the 2013 Human Development Index), Haiti has considerable potential both in terms of economic growth and human capital development. However, this growth needs to be supported by improvements in basic services and infrastructure, including access to clean water and basic sanitation. In Haiti, 58.7 percent of the population is considered to be poor and 24.0 percent live in extreme poverty. The highest poverty levels are found in rural areas, which host 53 percent of the country's population: 63 percent of

extremely poor households reside in the rural areas, where basic services are severely lacking.

In addition to challenges related to poverty and access to basic services, Haiti ranks as one of the countries with the highest exposure to multiple natural hazards with 96.5 percent of its population living at risk, as well as with the highest vulnerability to hurricanes among the region's small island states with 13 deaths per million exposed. This as well as the cholera epidemic which has claimed to date more than 8,500 lives and affected more than 700,000 people, further highlights the importance of disaster preparedness as well as the integration of health and WSS interventions to eliminate the secondary transmission of the disease.

Sectoral and Institutional Context

Access to water supply and sanitation (WSS) in Haiti is low with 64 percent for water (48 percent in rural areas) and 26 percent for sanitation (17 percent in rural areas). An important share of the total burden of disease worldwide is related to inadequate WSS services and hygiene practices as well as to unprotected water resources, particularly as it relates to diarrheal diseases, including cholera. In Haiti, improving water, sanitation and hygiene has the potential to prevent 10.2 percent of the disease burden (in disability-adjusted life years or DALYs, a weighted measure of deaths and disability), or 9.5 percent of all deaths.

The water sector in Haiti was reformed in 2009 with the promulgation of the Framework Law of which the main pillars are (i) a progressive disengagement of the Central Government from WSS infrastructure construction and operation, retaining a regulatory role; (ii) the establishment of users associations and local WSS committees (CAEPAs); (iii) the professionalization of WSS services provision; (iv) the participation of the domestic private sector in construction and operation; (v) the development of required tools and mechanisms regulating and supporting WSS service providers; and (vi) ensuring the sustainability and affordability of services by introducing the concept of volumetric billing.

This Law created the National Water and Sanitation Directorate (DINEPA), as well as the decentralized Regional Offices of Water and Sanitation (OREPA), who are also responsible in rural areas for supporting the CAEPAs through their Rural Development Units (URD) and Community Water and Sanitation Technicians (TEPAC). While generally viewed as a major improvement on previous arrangements, challenges remain in sector financing, in terms of infrastructure and human resources, strategic planning and prioritization, as well as in monitoring and evaluation.

Relationship to CAS

The proposed operation is consistent with the current World Bank Group's Haiti Interim Strategy Note (ISN) developed for FY13-14, particularly with regards to the strategic objectives of "Reducing Vulnerability and Increasing Resilience", by contributing to the elimination of the secondary transmission of cholera and to the cross-cutting theme of "Strengthening Governance", particularly through support to decentralization, transfer of resources at local levels and improvements in sectoral planning and institutional capacity. Additionally, the Government of Haiti has set territorial, economic, social, and institutional rebuilding as the pillars for Haiti's development in its National Strategic Development Plan (PSDH). The pillar for territorial rebuilding includes increasing access to water supply and sanitation services. This project also supports the World Bank's twin goals of reducing poverty and promoting shared prosperity, as reflected by its objective of increasing access to basic services in rural areas where the highest poverty levels are found.

Interventions in health will build on the results of the Bank’s Emergency Cholera intervention (P120110) and count on the support of the Maternal and Child Health Project (P123706), of which US\$20 million will be used to strengthen epidemiological surveillance and the national cholera coordination, as well as improve health service delivery at the facility and community levels. Additionally, the proposed operation will also be anchored in the evolving World Bank approach to support the joint Ministry of Public Health and Population (MSPP) and DINEPA 10-year Cholera Elimination Plan, discussed with the Government of Haiti (GoH) and partners on April 11, 2014, as well as the coordinated efforts of the Regional Coalition for Water and Sanitation to Eliminate Cholera in the Island of Hispaniola.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective (PDO) is to increase sustainable access to water supply and sanitation in rural areas and small towns in zones affected by cholera.

Key Results (From PCN)

The results of the proposed project would be measured with the following set of indicators:

- Number of people provided with access to “improved water sources” under the Project – rural [core];
- Number of delegations of service to a professional operator under the Project;
- Number of people provided with access to “improved sanitation facilities” under the Project [core];
- DINEPA has implemented all the programmatic approach building blocks, including (i) the development of a national rural WSS strategy; (ii) the establishment of a stakeholders coordination group; (iii) the development of a medium-term unified programmatic budget supported by the Ministry of Economy and Finance (MEF); (iv) the development of a unified asset and service performance sector database; and (v) the establishment of an annual stakeholder sector review.

III. Preliminary Description

Concept Description

The proposed US\$30.0 million project will build on experience and lessons learned from the previous successful Bank project, from best practices in sector reform from other countries to support DINEPA in its decentralization process and in achieving sustainable access to WSS services in rural areas and small towns, as well as from global health and WSS practices to help prevent and control cholera. The proposed project will have the following five components:

Component 1: Institutional Strengthening and Capacity Building. This component would finance goods and services to support DINEPA’s WSS service delivery strategy and its key actors at different sub-national levels. This component will include, inter alia:

- (i) At the central level: (a) strengthening DINEPA’s planning, execution and supervision capacity in order to gradually increase sector absorption capacity and empower local actors to deliver sustainable WSS services. The Project would work closely with the MEF to identify the necessary fiscal and public finance management prerequisites and mechanisms to prepare DINEPA for a shift from a project approach to a programmatic approach, through the development of 3-year rolling programmatic budgets. This would allow DINEPA to improve planning and achievements, as well as rally technical and financial partners behind a detailed plan with clear objectives and

priorities; (b) strengthening DINEPA's social mobilization capacity by creating a central unit dedicated to coordinating and overseeing social mobilization activities at the decentralized level; (c) strengthening DINEPA's emergency preparedness and response structure, including putting in place efficient collaboration between TEPACs and the health community agents; and (d) strengthening its monitoring and reporting capacity by supporting the National Water and Sanitation Observatory (ONEPA).

(ii) At the regional level: supporting the OREPAs in progressively taking more responsibility in the identification, contracting and supervision of WSS works. This would include hiring dedicated procurement specialists, as well as technical training and equipment;

(iii) At the departmental and communal levels: (a) strengthening the URDs and TEPACs to monitor WSS service quality and participate in the identification of priority works and social mobilization activities; and (b) setting up and strengthening local water committees (CAEPAs) and professional water systems operators. CAEPAs would be trained in communication skills, community mobilization, conflict resolution and the supervision of professional operators. Professional operators would be trained in billing and accounting, meter reading and repair, water disinfection, plumbing, as well as in community relations and conflict resolution.

This component would also serve to strengthen capacity in the areas of procurement, financial management, and environmental and social safeguards by training DINEPA in these areas.

Component 2: Water Supply. This component would aim to improve access to drinking water in selected intervention areas. Works would include construction of new systems or rehabilitation of existing piped water schemes and would be undertaken in communities of 500 to 10,000 people.

Interventions will take place in rural areas and small towns (i) where the Bank-financed Rural Water Supply and Sanitation Project intervened, in order to consolidate the professionalized management of water systems (i.e. small repairs and expansions, as needed) and increase sustainability; and (ii) in communes affected by cholera, i.e. among which have posted the highest cholera incidence rate in the last two dry seasons. Selection of communities will then be further refined using a number of criteria, including the existing water coverage and service quality, community population and population density, watershed-related aspects, vulnerability to natural disasters, as well as willingness to adhere to the principles of paying for water by the volume consumed and to delegating the responsibility of service delivery to a professional operator. The methodology to prepare the long list of communities is described in more detail in Annex 3.

The Project will also explore piloting the inclusion of a simplified payment for environmental services (PES) scheme to protect water sources and immediate perimeters (planting and maintaining trees) to contribute to ensuring sustainable water resources in selected communities.

Component 3: Access to Basic Sanitation. This component would include sanitation interventions to be carried out in the communities in which water infrastructure will be put in place, as well as hygiene promotion campaigns to be coordinated with the health sector.

Household level sanitation. The Project will provide support to DINEPA to define and implement a national strategy for sanitation at the household level, to be jointly adopted by sector partners. UNICEF is taking the lead in promoting the idea of a common national strategy and a series of workshops are being organized in Haiti in the next months. The Project would intervene in the selected areas of intervention for water supply.

Institutional sanitation. The Project would also support the construction of “latrine blocks” (blocs sanitaires) in schools, health facilities and public markets and promote the establishment of a sustainable management and maintenance model to be developed with the institutions and the community, including a connection to the water network and cleaning of the sanitation facilities.

Component 4: Response to Emergencies. This component would serve as a mechanism allowing for rapid response in the event of emergencies, related to natural disasters (hurricanes, floods, etc.) or cholera outbreaks. This component would support the carrying out of emergency reconstruction and rehabilitation of sub-projects and contingency reserve funds would be available for, inter alia: small repairs related to water supply systems, distribution of chlorinated products and hygiene promotion kits in households in communes affected by cholera or pre-positioning of such supplies in zones at risk before the start of the rainy season. For this, the Project will work closely with DINEPA and the Directorate of Epidemiology, Laboratories and Research (DELR) of the MSPP in charge of cholera epidemiological surveillance.

Component 5: Project Management, Monitoring and Evaluation. This component would support project management and include, inter alia, equipment, audits, operating costs, and selected individual consultants and consulting firms hired to ensure efficient project implementation and monitoring and evaluation (M&E).

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36			x
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00

VI. Contact point

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