

PROJECT PROFILE
HAITI
SUPPORT FOR HAITI'S TRANSPORTATION SECTOR III
(HA-L1079)

I. BASIC DATA

Project Name:	Support for Haiti's Transportation Sector III	
Project Number:	HA-L1079	
Project Team:	Reinaldo Fioravanti (INE/TSP), Team Leader; Rosana Brandao (INE/TSP), Alternate Team Leader; Olivia Désinor, Michel Vallée (TSP/CHA); Paula Castillo, Giovanna Mahfouz (INE/TSP); Patricia Reynoso, Nicolas Kotschoubey (VPS/ESG); Shakirah Cossens Gonzalez (SPD/SDV); Nelly Wheelock, Daniel Bayes (FMP/CHA); and Taos Aliouat (LEG/SGO)	
Borrower:	Republic of Haiti	
Executing Agency:	Ministry of Public Works, Transport, Energy and Communications (MTPTEC) through the Central Execution Unit (UCE).	
Financial Plan:	IDB Grant Facility:	US\$50 million
	Total:	US\$50 million
Safeguards:	Policies triggered:	OP-102, OP-703 (B.4, B.5, B.6, B.7, B.9, B.11, B.17), OP-704, OP-710, OP-270
	Classification:	B

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 Haiti faces deep regional economic imbalances, with Port-au-Prince (PAP) accounting for 66% of Gross Domestic Product (GDP) and 80% of the country's industrial, commercial, and financial activities. The Government of Haiti (GoH) has set as a priority to foster economic development outside of the capital in order to bring much needed jobs to the country's less developed regions.¹ A key element of this strategy is to rehabilitate and improve the transportation network.
- 2.2 Road transport is the leading mode of transportation for cargo and passengers in Haiti for both domestic and international traffic² and henceforth a fundamental mechanism for economic development and for the integration of country's region.³ One of Haiti's main integration corridors is the Route Nationale 1

¹ Haiti's estimated unemployment rate is around 40% and more than two-thirds of the labor force does not have formal jobs (CIA, 2010 and Ministry of Economy and Finance from Haiti).

² Estimates indicate 80 % of the country's traffic being by land (World Bank and IDB).

³ Improvement of the capacity and the quality of the road infrastructure lower transportation costs and shorten travel times, thus enabling less developed regions to increase their access to markets and to basic services such as health and education.

(RN1), extending from the country's capital Port-au-Prince in the West region to the second largest city, Cap-Haïtien (CH), in the North region. In addition to its role on integrating different departments, the corridor plays a very important role in international trade as it connects the two most important seaports in the country. The Bank has financed interventions from Port-au-Prince to Saint Marc (HA-L1046) and from Gonaïves to Ennery (HA-L1058). This operation will rehabilitate the next portion of this corridor, from Ennery to Plaisance.

2.3 **The Road Network.** In the last decade, the Government of Haiti (GoH) and the Bank have made significant efforts aimed at overcoming the major restrictions on coverage, capacity and quality of roads in the country. The National Road Network has a total length of 3,563 km, consisting of 905 km of primary roads, 1,315 km of secondary roads and 1,343 km of tertiary roads.⁴ In addition to that, the road network has poor infrastructure and maintenance conditions. Right after the earthquake in 2010, it was estimated that only 5% of the road network was in good condition,⁵ while 80% was in poor or very poor state. Moreover, only 10% of the roads receive continuous maintenance.⁶ Although there is little official statistics regarding injuries and deaths caused by road accidents, road safety is a critical issue in Haiti due to the poor condition and quality of the roads and vehicles, lack of signaling and poor enforcement of transit regulations.

2.4 **Bank's interventions.** In the past eight (8) years, the Bank granted more than US\$350 million for the transport sector in Haiti and completed the rehabilitation of about 120 km of primary roads and more than 250 km of secondary and tertiary roads.⁷ Since 2011, the Bank financed around 60 km of primary roads and is currently executing other 80 km.⁸ The Bank also financed improvement in signaling, educational campaigns on road safety and is currently supporting the design of a National Road Safety Strategy. In the last semester of 2012 and early 2013, works on the segment of RN1, Titanyen to Port-au-Prince (7 km) have been completed and 5 km of labor intensive urban street pavement in the Nippes Department have been done. The 32 km Port-au-Prince to Fond-Parisien (Route Nationale 8) rehabilitation contract has been awarded, as have two (2) major bridges contracts in the North-West department. The present operation will finance the rehabilitation and improvement of the Ennery–Plaisance road section, a link of approximately 23 km along the RN1 ([see map](#)). The operation

⁴ This reflects very low coverage levels for both the size of the population (0.4 km/1.000 inhabitants) and the surface area of the country (0.12 km/km²). Other countries in the region have higher coverage both relative to surface area and population: Dominican Republic 1.98 km/1.000 hab., 0.41 km/km²; El Salvador 1.75 km/1.000 hab., 0.48 km/km²; Honduras 3.34 km/1,000 hab., 2.31 km/km²; Nicaragua 3.92 km/1.000 hab. 1.64 km/km².

⁵ Understanding by roads in good condition those with an International Roughness Index (IRI) lower than 4.0. The assessment of road condition is according to loan proposal HA-0087.

⁶ Post-Disaster Haitian Government Needs Analysis, Port-au-Prince, March 2010.

⁷ These interventions represent around 10% of the road network.

⁸ After 2010's earthquake, the Bank approved operation HA-L1054—"Support for Haiti's Transportation Sector" (US\$50 million), operation HA-L1058—"Support for Haiti's Transportation Sector II" (US\$53 million) and operation HA-L1086—"Emergency Road Rehabilitation Program in Response to Hurricane Sandy" (US\$17,5 million).

will also finance urban pavement in selected municipalities using labor intensive methods.

- 2.5 **Strategic alignment.** The project is consistent with the Bank's Country Strategy 2011-2015 (GN-2646). The country strategy sets the transport sector as one of the six (6) priority sectors for Haiti and specifies that the Bank's resources are directed to: (i) rehabilitation and improvement of the primary network to consolidate a trunk road system that provides a safe and reliable connection between Haiti's main cities; and (ii) improvement and consolidation of road maintenance activities to increase investment sustainability. The project is also aligned with the Bank's institutional priorities as outlined in the Report on the Ninth General Increase in Resources for the Inter-American Development Bank (GCI-9) (AB-2764) as it contributes to the goal of "supporting development in small and vulnerable countries." Additionally, the project is aligned with the Sector Strategy to Support Competitive Global and Regional Integration (GN-2565-4). Specifically, the project will contribute to "reduce logistics costs related to underinvestment in transport infrastructure."
- 2.6 **The problem.** This operation is structured to address: (i) poor road connectivity between Ennery-Plaisance that creates a bottle neck for the integration of Port-au-Prince and Cap-Haïtien; (ii) poor road safety conditions along the same road; (iii) poor urban mobility conditions in small municipalities; (iv) institutional weaknesses in the road sector; and (v) lack of formal jobs.
- 2.7 The specific problems that the operation seeks to solve in the Ennery-Plaisance road section are: (i) pavement distresses; (ii) poor road alignment in critical sections; and (iii) drainage problems. Road safety issues to be addressed include: (i) inexistence of road signals; (ii) limited number of guardrails between the road and the cliff; (iii) commercial activities conducted in some sections of the road; (iv) pedestrians walking on the roadway; and (v) vehicles developing high speeds, mainly trucks.
- 2.8 **Objective.** The overall objective is to contribute to the improvement of the connectivity between different regions of the country by reducing transportation costs and time⁹ thus promoting regional and international integration and economic development. The specific objectives are: (i) rehabilitation and improvement of Ennery-Plaisance/RN1 road section; (ii) maintenance of the rehabilitated section during two (2) years; (iii) improvement of road safety conditions along the road reducing the risk of accidents involving both vehicle and pedestrians; (iv) institutional strengthening of the transport sector; and (v) pavement of urban sections in selected municipalities using labor intensive methods. The operation is structured in four (4) components as following:
- 2.9 **Component 1: Civil works & maintenance (US\$41 million).** This component will finance: (i) the rehabilitation and improvement of the Ennery-Plaisance/RN1

⁹ Similar operations (HA-L1058) estimate reductions of 10% in operating costs per km for automobiles and 25% for trucks. Similarly, travel times are expected to fall by 28% for automobiles and 24% for trucks (estimates based on the rehabilitation work for the road section of Gonaives-Ennery).

road section;¹⁰ (ii) implementation of resettlement plan; (iii) the maintenance of the same section during two (2) years after completion of works;¹¹ and (iv) the implementation of measures that improve road safety conditions along the road.

- 2.10 **Component 2: Administration, engineering and supervision (US\$4 million).** This component will finance the: (i) administration of the works by the UCE; (ii) supervision of the works by a specialized firm; and (iii) monitoring, evaluation and financial and environmental audits.
- 2.11 **Component 3: Labor intensive urban paving (US\$3 million).** This component will finance urban paving in small municipalities, seeking to employ low-income persons affected by unemployment. Participation of women will be promoted. It is intended that these works will be managed by the United Nations Office for Project Services (UNOPS).¹²
- 2.12 **Component 4: Institutional Strengthening & sector planning (US\$2 million).** This component will finance: (i) short and long term actions for the strengthening of the MTPTEC and of UCE;¹³ (ii) engineering designs, environmental and social impact analysis and resettlement plan for the stretch Plaisance to Cap-Haïtien; and (iii) feasibility studies for rehabilitation of the airport Toussaint Louverture.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **Outline of execution.** Funding for the operation will be non-refundable under the IDB Grant Facility. The operation is designed as a "Specific Work Program". The beneficiary will be the Republic of Haiti and the executing agency will be the MTPTEC, which will act through the UCE.
- 3.2 **Technical issues.** The rehabilitation and improvement of the road section Ennery-Plaisance/RN1 was identified by the GoH and the Bank as a priority project. The RN1 is of vital importance to the Haitian economy, as part of the Port-au-Prince to Cap-Haïtien connection. The designs for the rehabilitation of the road section include the identification of specific segments for road alignment improvement, including critical curves and slope.
- 3.3 **Sector Knowledge.** The Bank's sector work in Haiti over the past years has focused on the rehabilitation, improvement and maintenance of main roads as well as institutional strengthening (§2.3). Additionally, further activities financed by the Bank to improve transportation in Haiti include the formulation of a road safety strategic plan (HA-L1054), an inventory of the quality of the roads and traffic levels (HA-T1158) and support for the port's reform (HA-L1058). A study of border crossings between Haiti and Dominican Republic is also contemplated.

¹⁰ Engineering designs for this section of the road and their respective social and environmental studies are currently in preparation, financed by operation HA-L1054.

¹¹ Implementation of routine maintenance with results-based contracts will be recommended.

¹² Given its recognized experience in similar projects, the UNOPS will be responsible for the design, implementation and supervision of the works, the purchase of materials and hiring labor. Previous projects financed by the Bank (HA-L1054) and managed by UNOPS paved upward 5 km of roads and generated more than 300 jobs (source: report UNOPS).

¹³ Strengthening will take place according to the plan financed by operation HA-L1058.

IV. SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 The project is not expected to have significant and/or irreversible negative impacts on the social or biophysical environment. Rather, it is expected to have mostly local and short-term impacts typically resulting from construction and operation of a road, the most noteworthy of which are expected to be limited to noise, dust and traffic disruption; as such, it is classified as a Category “B” under OP-703. There are potential risks associated with the capacity of the executing agency to manage and monitor the environmental and social aspects due to the number of operations being executed. The project might include the resettlement or compensation of families and/or economic activity from road realignment in some segments and a local market will be affected; in consequence OP-710 is triggered and a Resettlement Plan (RP) will be prepared. The focus of the Environmental and Social Analysis/Due Diligence (ESDD) will be on the potential environmental and social impacts and risks during all phases of the project and focus on: (i) the adequacy of the Environmental and Social Impact Assessment and Resettlement Plan, on the capacity of the UCE to implement the frameworks; and (ii) if adequate Health and Safety measures are in place. An Environmental and Social Management Report (ESMR) will be prepared presenting the conclusions of the ESDD for consideration by the Bank.
- 4.2 **Fiduciary Aspects.** The operation will be executed by the MTPTEC through the UCE. Due to the high number of operations currently executed by UCE,¹⁴ the procurement risk is considered high, and financial risks are considered medium. To execute the existing operations, the UCE needs to improve its structure and organization of the procurement function, the integration of financial and operational information and the formulation and monitoring of budget execution. Actions currently in place are expected to reduce the procurement risk to medium in the following months.¹⁵ Procurements for the project will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants (GN-2350-9). The Procurement Provisions for Haiti (GN-2654) will also apply for this operation, under the conditions foreseen therein.

V. RESOURCES AND TIMETABLE

- 5.1 Annex V details the timeline for project preparation, the POD for QRR and Draft Loan Proposal for OPC will be distributed in September, 2013. The presentation of the Loan Proposal to the Board of Executive Directors will be on November 20th, 2013. Annex V describes also resources estimated for project preparation, provided from administrative budget, totaling US\$70,142 (US\$39,000 to hire consulting services, and US\$31,142 for official missions).

¹⁴ Operations 699/OP-HA, 2348/GR-HA, 1922/GR-HA, ATN/CJ-10885-HA, 2663/GR-HA, 2794/GR-HA and 2898/GR-HA.

¹⁵ Actions in place include: (i) update of UCE operations manual; (ii) implementation of Bank’s procurement toolkit; (iii) intensive training to UCE members provided by a local Bank’s procurement specialist while a procurement expert is being hired; (iv) hiring of local additional procurement specialists to UCE; and (v) implementation of a management information and filing system. Resources for strengthening of UCE were approved in 2012 as part of operation HA-L1058.

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SAFEGUARD POLICY FILTER REPORT

PROJECT DETAILS	IDB Sector	TRANSPORT-MAJOR HIGHWAYS
	Type of Operation	Investment Grant
	Additional Operation Details	
	Investment Checklist	Infrastructure Road and Rail
	Team Leader	Fioravanti, Reinaldo Daniel (reinaldof@iadb.org)
	Project Title	Support for the Transport Sector in Haiti III
	Project Number	HA-L1079
	Safeguard Screening Assessor(s)	Kotschoubey, Nicolas (nicolask@iadb.org)
	Assessment Date	2013-03-05
	Additional Comments	

SAFEGUARD POLICY FILTER RESULTS	Type of Operation	Loan Operation	
	Safeguard Policy Items Identified (Yes)	Potential disruption to people's livelihoods living in the project's area of influence (not limited to involuntary displacement, also see Resettlement Policy).	(B.01) Resettlement Policy– OP-710
		Activities to be financed in the project area are located within a geographical area or sector exposed to natural hazards* (Type 1 Disaster Risk Scenario).	(B.01) Disaster Risk Management Policy– OP-704
		The Bank will make available to the public the relevant Project documents.	(B.01) Access to Information Policy– OP-102
		The operation is in compliance with environmental, specific women's rights, gender, and indigenous laws and regulations of the country where the operation is being implemented (including national obligations established under ratified Multilateral Environmental Agreements).	(B.02)

		The operation (including associated facilities) is screened and classified according to their potential environmental impacts.	(B.03)
		The Borrower/Executing Agency exhibits weak institutional capacity for managing environmental and social issues.	(B.04)
		An Environmental Assessment is required.	(B.05)
		Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation of women and men; (b) socio-culturally appropriate participation of indigenous peoples; and (c) mechanisms for equitable participation by vulnerable groups.	(B.06)
		The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.	(B.07)
		Environmental or culturally sensitive areas, defined in the Policy as critical natural habitats or critical cultural sites in project area of influence (please refer to the Integrated Biodiversity Assessment Tool for more information).	(B.09)
		The operation has the potential to pollute the environment (e.g. air, soil, water, greenhouse gases...).	(B.11)

		Suitable safeguard provisions for procurement of goods and services in Bank financed projects may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.	(B.17)
	Potential Safeguard Policy Items(?)	No potential issues identified	
	Recommended Action:	<p>Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR. The project triggered the Disaster Risk Management policy (OP-704).</p> <p>A Disaster Risk Assessment (DRA), is required, as established under Directive A-2 of the DRM Policy OP-704). Please contact a Natural Disaster Specialist in VPS/ESG or INE/RND for guidance. Also: if the project needs to be modified to increase resilience to climate change, consider the: (i) possibility of classification as adaptation project: and (ii) additional financing options. Please contact a INE/CCS adaptation specialist for guidance.</p>	
	Additional Comments:		

ASSESSOR DETAILS	Name of person who completed screening:	Kotschoubey, Nicolas (nicolask@iadb.org)
	Title:	Environment Specialist
	Date:	2013-03-05

SAFEGUARD SCREENING FORM

PROJECT DETAILS	IDB Sector	TRANSPORT-MAJOR HIGHWAYS
	Type of Operation	Investment Grant
	Additional Operation Details	
	Country	HAITI
	Project Status	
	Investment Checklist	Infrastructure Road and Rail
	Team Leader	Fioravanti, Reinaldo Daniel (reinaldof@iadb.org)
	Project Title	Support for the Transport Sector in Haiti III
	Project Number	HA-L1079
	Safeguard Screening Assessor(s)	Kotschoubey, Nicolas. (VPS/ESG) (nicolask@iadb.org)
	Assessment Date	2013-03-05
	Additional Comments	

PROJECT CLASSIFICATION SUMMARY	Project Category: B	Override Rating:	Override Justification:
	Conditions/ Recommendations		Comments:
		<input type="checkbox"/> Category "B" operations require an environmental analysis (see Environment Policy Guideline: Directive B.5 for Environmental Analysis requirements).	
		<input type="checkbox"/> The Project Team must send to ESR the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.	
		<input type="checkbox"/> These operations will normally require an environmental and/or social impact analysis, according to, and focusing on, the specific issues identified in the screening process, and an environmental and social management plan (ESMP). However, these operations should also establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.) where necessary.	

SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS	Identified Impacts/Risks	Potential Solutions
	<p>The project will or may require involuntary resettlement and/or economic displacement of a minor to moderate nature (i.e. it is a direct impact of the project) and does not affect indigenous peoples or other vulnerable land based groups.</p>	<p>Develop Resettlement Plan (RP): The borrower should be required to develop a simple RP that could be part of the ESMP and demonstrates the following attributes: (a) successful engagement with affected parties via a process of Community Participation; (b) mechanisms for delivery of compensation in a timely and efficient fashion; (c) budgeting and internal capacity (within borrower's organization) to monitor and manage resettlement activities as necessary over the course of the project; and (d) if needed, a grievance mechanism for resettled people. Depending on the financial product, the RP should be referenced in legal documentation (covenants, conditions of disbursement, project completion tests etc.), require regular (bi-annual or annual) reporting and independent review of implementation.</p>

DISASTER SUMMARY	Details	Actions
	<p>The Project should include the necessary measures to reduce disaster risk to acceptable levels as determined by the Bank on the basis of generally accepted standards and practices. Alternative prevention and mitigation measures that decrease vulnerability must be analyzed and included in project design and implementation as applicable. These measures should include safety and contingency planning to protect human health and economic assets. Expert opinion and adherence to international standards should be sought, where reasonably necessary.</p>	<p>A Disaster Risk Assessment (DRA), is required, as established under Directive A-2 of the DRM Policy OP-704). Please contact a Natural Disaster Specialist in VPS/ESG or INE/RND for guidance.</p> <p>Also: if the project needs to be modified to increase resilience to climate change, consider the: (i) possibility of classification as adaptation project; and (ii) additional financing options. Please contact a INE/CCS adaptation specialist for guidance.</p>

ASSESSOR DETAILS	Name of person who completed screening:	Kotschoubey, Nicolas (VPS/ESG) (nicolask@iadb.org)
	Title:	Environment Specialist
	Date:	2013-03-05

ENVIRONMENTAL AND SOCIAL STRATEGY (ESS)

I. SUMMARY

Project Name:	Support for Haiti’s Transportation Sector III
Project Number:	HA-L1079
Country:	Republic of Haiti
Project Team:	Reinaldo Fioravanti (INE/TSP), Team Leader; Rosana Brandao (INE/TSP), Alternate Team Leader; Olivia Désinor, Michel Vallée (TSP/CHA); Paula Castillo, Giovanna Mahfouz (INE/TSP); Patricia Reynoso, Nicolas Kotschoubey (VPS/ESG); Shakirah Cossens Gonzalez (SPD/SDV); Nelly Wheelock, Daniel Bayes (FMP/CHA); and Taos Aliouat (LEG/SGO)
Beneficiary:	Republic of Haiti
Executing Agency:	Ministry of Public Works, Transport, Energy and Communications (MTPTEC) through the Central Execution Unit (UCE).
Funding:	IDB Grant Facility: US\$50 million Local: <u>US\$0 million</u> Total: US\$ 50 million
Safeguards Policies identified:	OP-102, OP-703 (B.4, B.5, B.6, and B.7), OP-704, OP-710, and OP-270
Environmental Category:	B

II. PROJECT DESCRIPTION

- 2.1 The present operation is integral to the “Support for Haiti’s Transportation Sector III” program. It will finance the rehabilitation and improvement of the Ennery–Plaisance road section, a link of approximate 23 km (depending on the alignment chosen) along Route Nationale 1 (RN1). The project consists of:
- 2.2 **Component 1: Civil works & maintenance (US\$41 million).** This component will finance: (i) the rehabilitation and improvement of the Ennery-Plaisance/RN1 road section;¹ (ii) implementation of resettlement plan; (iii) the maintenance of the same section during two (2) years after completion of works; and (iv) the implementation of measures that improve road safety conditions along the road.
- 2.3 **Component 2: Administration, engineering and supervision (US\$4 million).** This component will finance the: (i) administration of the works by the UCE;

¹ Engineering designs for this section of the road and their respective social and environmental studies are currently in preparation.

(ii) supervision of the works by a specialized firm; and (iii) monitoring, evaluation and financial and environmental audits.

- 2.4 **Component 3: Labor intensive urban paving (US\$3 million).** This component will finance urban paving in small municipalities, seeking to employ low-income persons. Participation of women will be promoted. It is intended that these works will be managed by the United Nations Office for Project Services (UNOPS).
- 2.5 **Component 4: Institutional strengthening & sector planning (US\$2 million).** This component will finance: (i) short and long term actions for the strengthening of the MTPTEC and of UCE²; and (ii) engineering designs, environmental and social impact analysis, and management/resettlement plan for rehabilitation and improvement of the stretch Plaisance-Cap-Haïtien segment.

III. INSTITUTIONAL AND REGULATORY CONTEXT

A. Compliance with National Environmental Assessment and Permitting Requirements

- 3.1 The Haitian Ministry of the Environment (MDE) is responsible for national environmental and social laws and regulations in the country. An Environmental Impact Assessment (EIA) law has been drafted and approved by the Parliament, and the decree for its application approved; however the Ministry has limited capacity to enforce it. Similarly, the department within the MDE responsible for EIA is under creation but not yet operational.
- 3.2 The legal and institutional framework in Haiti regulating compensation and resettlement is outlined by a number of laws, some of which are very old, which directly or indirectly affect the right of ownership, expropriation and compensation. Resettlement itself is not covered. Haitian law recognizes individuals' and entities' right of ownership of certain property. In cases of eminent domain, expropriation for public utility is lawful and may occur subject to payment or compensation, following court orders, of just and prior compensation as established by an expert. The Expropriation Commission (EC) of the MTPTEC is responsible for compensation in these cases.

B. Compliance with Bank's Environmental and Social Safeguard Requirements

- 3.3 Key policies and directives triggered in this project include B.4 (Other Risks), due to the limited capacity of the executing agency; B.5 (Environmental Assessment); B.6 (Consultation); B.7 (Supervision and Compliance); and B.14 (Multiple Phase and Repeat Loans) of the Environment and Safeguards Compliance Policy (OP-703); Disclosure of Information Policy (OP-102); Involuntary Resettlement (OP-710); the

² Strengthening will take place according to the plan financed by operation HA-L1058.

Disaster Risk Management Policy (OP-704); and the Operational Policy on Gender Equality in Development (OP-270).

- 3.4 The potential negative impacts of the project, associated with standard impacts of road construction and operation, are expected to be moderate, and as such the project is classified as a Category “B” under OP-703.
- 3.5 Importantly, the road is located almost entirely in one of Haiti’s Key Biodiversity Areas (KBAs), as identified by the Critical Ecosystem Partnership Fund, and special consideration would have to be given to protecting representative biodiversity.
- 3.6 In accordance with Directive B.5 (Environmental Assessment) of OP-703 the assessments required are an Environmental and Social Impact Assessment (ESIA) and a Resettlement Plan (RP).
- 3.7 A Technical Proposal by the Government to prepare an EIA “*Étude D’impact Environnementale*” (EIE) covered basic impacts but lacked coverage of key biodiversity aspects and needed strengthening on resettlement aspects. ESG provided detailed comments to be taken into account in the Proposal, which will form part of the Strategy (see Section VI). It should be noted that the Proposal was the *de facto* Terms of Reference for the environmental, social and resettlement studies for this project.
- 3.8 The Project will prepare an ESIA and a RP commensurate with the scale of project interventions. The instruments would be used as tools to manage impacts and risks through the implementation of appropriate mitigation measures. These would mostly be implemented through an Environmental and Social Management Plan (ESMP) as part of the ESIA and a RP compliant with OP-710. A consulting firm hired by the UCE will carry out the studies. Environment Safeguards (ESG) will ensure close supervision to ensure adequate quality and full compliance with Bank’s requirements
- 3.9 In accordance with the Disclosure of Information Policy (OP-102) the ESIA and RP will be disclosed on the Bank and UCE websites prior to the analysis mission.
- 3.10 Public consultation of the ESIA and RP with concerned parties (for example local authorities, representatives of local stakeholders, the MDE, and MTPTEC) would be held in the Ennery–Plaisance region before the analysis mission, in at least a round of consultations with meetings in the most populated areas along the road.
- 3.11 **Gender issues.** Poor and vulnerable groups and particularly women face gender-based barriers and social exclusion. Thus in the design phase and in selection of potential activities the Project will develop mechanisms to ensure that potential gender exclusion risks are mitigated and active participation of women will be promoted.

- 3.12 Because the scale and cost of resettlement are not known, sufficient funds would be allocated within the project budget for this purpose. The capacity of the implementing agency (or the consulting firm carrying out the resettlement work) would have to be substantially increased to carry out the work. No resettlement would take place without prior approval by ESG.

IV. ENVIRONMENTAL AND SOCIAL SETTING AND CONTEXT

- 4.1 The project would take place over an approximately 23 km road segment (depending on the alignment) in the north of Haiti, between Ennery and Plaisance. The environmental setting is almost entirely within a Key Biodiversity Area (KBA), as defined by Audubon Haiti, Critical Ecosystems Partnership Fund, Conservation International, and the Bird Life International Caribbean Program. There are two broad habitat types: the south face (dry) and the north face (humid). The area is home to considerable flora and fauna. A detailed baseline survey would be required to identify hotspots, especially road crossings, of key biodiversity according to the KBA of Haiti, December 2011.
- 4.2 Clearing of roadside vegetation by burning and for timber are apparent and are threats to the environment, including key biodiversity.
- 4.3 The social setting is that population density roughly reflects habitat type: the dry zone is not very densely populated, unlike the humid zone. Also, the presence of pedestrians depends on the time of day (many pedestrians appear around midday when schools close). Sidewalks for pedestrians are quasi non-existent, resulting in most pedestrians, including young children, using the road, and being exposed to traffic risks.
- 4.4 Importantly for all users, including those carrying out surveys and studies, the road is dangerous, particularly when larger vehicles (semi-articulated trucks) are involved. The absence of sidewalks and the high speeds of vehicles put pedestrians at risk. Certain segments overhang cliff faces.
- 4.5 Physical works would occur on the entire length of the road, including isolated rural areas, peri-urban settings, densely populated urban areas, a local market, and biodiversity rich and poor areas.
- 4.6 Haiti is located within the Atlantic hurricane belt, and as such is subject to tropical storms and hurricanes. The country is also located on the Circum-Caribbean Tectonic Belt, which has produced several earthquakes in magnitudes exceeding 7.0 since 1900, and is subject to floods and landslides.

V. ENVIRONMENTAL, SOCIAL IMPACTS AND RISKS AND CONTROL MEASURES

- 5.1 In general terms, the rehabilitation and improvement of the Ennery-Plaisance road would have a positive impact on the country and the region, and would improve the connection between Port-au-Prince and Cap-Haïtien, Haiti's two major cities.
- 5.2 Environmental impacts of the project would be direct, indirect and cumulative. During construction, road works would require heavy equipment, quarrying, disposal of fill material, and would have direct impacts on the environment (noise, dust, impacts on sensitive areas – wetlands, rivers, and forest) if not adequately mitigated. During operation, direct impacts on the environment would arise from increased threats to species from increased traffic, especially if migration routes of key species exist across the road, and from population access. Indirect environmental impacts of the project during construction and operation include improved access to forestry resources, which are already under logging pressure.
- 5.3 Social impacts of the project “activities and the road on local populations are not yet well known, and need to be carefully analyzed; for instance during construction direct impacts would include traffic disruption and associated safety risks, noise, dust and other emissions, displacement of households, social service infrastructure and formal/informal economic activity. Indirect and cumulative impacts might also appear, affecting ecosystem processes and services, welfare and disruption of livelihoods. The influx of workers may also have impacts on local populations and increase pressure on social services, and result in increased sexual health risks for women and youth. During operation, increased traffic speeds and volumes would increase the risk to pedestrians and motorists, in the absence of substantial measures to improve safety. Also, increased access would, in the longer term, result in migration and demographic changes, causing other socioeconomic and environmental impacts, and trigger other potential risks.
- 5.4 Impacts from the road would be additional to impacts from other infrastructure projects in the area (cumulative impacts) and would have to be taken into consideration in the ESIA and RP.
- 5.5 Negative environmental impacts can readily be avoided, reduced or mitigated by standard construction mitigation measures (control of dust, emissions, traffic regulation, etc). Specific measures to protect key biodiversity would be integrated into the overall ESMP. These measures would take into account impacts associated with construction, impacts such as brush clearing using fire, the intensification of road traffic, and increased access to forests. The ESIA would include a study of key biodiversity at the very least in the rainy (April to October) season, in sensitive spots during the rainy season for migratory species, and propose adequate mitigation measures for example underground passages for key species.
- 5.6 Negative social impacts can be attenuate at an early stage by establishing adequate communication and consultation within all project stakeholders, and by identifying

innovative social-oriented investments that will help increasing project benefits. Some impacts to be covered in the ESIA include road safety issues for local communities, noise, dust, disruption to traffic, and disruption to households and livelihoods (during construction and implementation). Finally, the ESIA should take into account the socio-economic local context and indirect and cumulative impacts, with specifications to mitigate them. The ESMP should include at a minimum a map of the site; a list of most vulnerable groups, an action plan, clear identification of responsible parties and associated costs.

- 5.7 The RP must provide a socio-economic baseline and adequately address potential resettlement and social impacts, and include an analysis of road segments in terms of pedestrian and vehicular use and associated safety risks; this multidisciplinary approach should allow meaningful consultation with stakeholders and be able to inform project design, especially in terms of safety management and of avoidance of household, social infrastructure and economic activity resettlement. Road use by pedestrians and motorists associated with social infrastructure such as schools must be clearly identified, associated potential impacts and risks analyzed, and the actions for mitigation proposed in the RP.
- 5.8 The consulting firm hired by the UCE should ensure the expected quality standards and full compliance with Bank's policies and other requirements; it should also provide, as part of its reporting schedule, details of interim reports (e.g. preliminary report, final report). Also, the contents of the ESIA and RP report should be clarified, for example: Executive Summary, Legal and Administrative Background, Project Description, Baseline Data, Environmental Impacts, Analysis of alternatives, Environmental and Social Management Plan, Annexes.
- 5.9 To ensure that resettlement and social impacts are adequately addressed, and in full compliance with Bank's requirements, a senior level international social and resettlement specialist, with solid experience in social impact assessments, donor's policy compliance and preparation of resettlement plans, would carry out work to complement the RP under a separate contract. Also, adequate staffing levels and resources for the local field social survey team would be required. The team would be gender balanced, qualified and adequately trained and supported by the senior international social expert. Moreover, the UCE should also designate a social focal point to participate in the whole process. These actions would also help address the lack of capacity identified with the Government.
- 5.10 At a minimum, a communication plan must be included since early stages and a round of consultation including meetings in the different populated areas along the road must be carried out. Arrangements will be made in the planning of the consultation meetings in order for it to allow different stakeholder groups to be meaningfully consulted with on the key impacts and mitigation/compensation measures identified in the RP. Consultation results will inform adjustments in project design and the RP.

5.11 The UCE would provide a clear conceptual framework and appropriate methodology for creating the RP, including description of instruments, qualitative and quantitative tools and profiles of participating international, national staff and/or consultants. It would explain the process requirements (based on full Bank's safeguards policy compliance and implementation guidelines) at various stages, defining information and consultation phases, schedule, estimated timing and identifying possible categories of Project Affected Persons (PAPs) (budget categories) expected for this specific resettlement. The RP would include:

- (a) A detailed assessment of main social and economic dynamics existing in the project area of influence (i.e. local markets activity, sources of income, labor, and land tenure situation, differentiated by gender).
- (b) Data that is site specific, and includes qualitative data collected by the field teams, in order to have practical, actualized information closely related to the road impact area.
- (c) A detailed census of project-affected people, and identification of physical structures to be displaced by the project.
- (d) The different expected impacts and risks for the different categories of PAPs, differentiated by gender, with special attention to most vulnerable groups (i.e. single-head households, squatters, poor women, landless, etc.).
- (e) Compensation packages with options for the different PAPs categories, with compensation options beyond financial compensation for vulnerable PAPs. Compensation packages must include additional support measures, especially for vulnerable PAPs.
- (f) A detailed budget with the specific allocation for the RP.
- (g) A chronogram that relates resettlement actions to milestones in project implementation, especially construction.
- (h) Indication of a cut-off date.
- (i) Clear identification of responsibilities in the implementation of the resettlement and a clear description of the sequence of actions to be carried out in the resettlement process.
- (j) Actions to be carried out to mitigate all impacts identified.
- (k) Reporting, monitoring and supervising provisions, including: independent review of implementation; supervision by ESG to ensure: adequate process of community participation and gender issues; mechanisms for delivery of compensation in a timely and efficient manner; internal capacity of Borrower to

monitor and manage resettlement activities as necessary over the course of the project; a grievance mechanism for affected people.

- 5.12 The project presents potential risks associated with the capacity of the UCE to manage and monitor impacts during construction and operation. Potential measures to address these risks, as well as to compensate for the lack of capacity within MDE to handle ESIA, include continued monitoring by the Bank (ESG) and participation in training events of UCE staff.

VI. ENVIRONMENTAL STRATEGY FOR DUE DILIGENCE

- 6.1 The focus of the Environmental and Social Analysis / Due Diligence (ESDD) for the proposed project will be on the potential environmental and social impacts and risks during all phases of the project.
- 6.2 More specifically, the ESDD will look at the following aspects:
- (a) Assessing the adequacy of the ESIA and RP to ensure that they have adequate design details to identify impacts and risks and prescribe adequate mitigation measures, including direct, indirect and cumulative impacts; the RP will be referenced in legal documentation (covenants, conditions of disbursement, etc.).
 - (b) Assess the proposed mechanisms to ensure that the ESIA and RP are applied; ensure that sufficient funds for mitigation/compensation activities are allocated in the project budget for the purpose.
 - (c) Assess if the project's design includes training in safeguards related matters, for example in: use of ESIA and RP, including ESMP; Environment, Health and Safety (EHS) (use of Personal Protection Equipment (PPE); training of operators in PPE; safe and secure worksites; traffic management at work sites); waste management; erosion control; and pollution.
 - (d) Because of the importance of EHS: (i) verify that an indicator of EHS performance is included as one of the project-level indicators, for example number of accidents per month: and (ii) verify if EHS performance, as measured by the indicator, is included as a condition for financing.
 - (e) Because of the importance of pollution by used oil, review if the UCE's procedures for disposal of used oil in its projects is adequate.
 - (f) Because of the importance of the nature of roads projects, and the high prevalence of HIV-AIDS and STD in Haiti, jointly with the MTPTEC request and the Bank's directives, the project should include measures to address the issue (i.e. clause in contractor's labor contracts, training and sensitization of construction workers and affected communities, etc.).

6.3 Furthermore, the ESDD will look at the following aspects:

- (a) An assessment of compliance with applicable Bank's environmental and social policies, including the Environmental and Safeguard Compliance Policy, Access to Information Policy, Disaster Risk Management Policy, Involuntary Resettlement Policy, and the Gender Equality in Development Policy, will be carried out.
- (b) An assessment of the public information and consultation process undertaken as part of the Project's preparation and related activities during all phases will be carried out.
- (c) Confirmation that the natural disaster risks and climate change risks have been adequately identified, and that adequate mitigation is implemented in the design and operation of the Project.
- (d) Evaluation of project-related disclosure activities including confirmation that the consultation and participation processes of stakeholders have been adequately conducted and that its results have, when feasible/adequate, informed adjustments in project design, especially regarding management of road safety.
- (e) Confirm that the proposed future actions to provide adequate ongoing information disclosure are in compliance with Bank's policies.
- (f) Evaluation of gaps in capacities and proposed trainings and other actions to bridge any identified gaps.

6.4 As part of the ESDD process, the Bank will prepare an Environmental and Social Management Report (ESMR) presenting the conclusions of the ESDD for consideration by the Bank's Quality and Risk Review Committee. The ESMR will outline a series of recommendations and requirements for inclusion in the relevant legal documents.

EXISTING AND PROPOSED SECTOR & TECHNICAL STUDIES

Topic	Description	Date (completed or expected)	References or links
Sector notes, baselines and results from previous interventions	<ul style="list-style-type: none"> • Program to Support the Development of the transport sector in Haiti (PSDTH) • Sector Note: Transport Sector in Haiti • Traffic counting and road quality assessments • Results from urban paving with United Nations Office for Project Services (UNOPS) 	<ul style="list-style-type: none"> • 2010 • 2011 • 2013 • 2013 	<p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35246051</p> <p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37685285</p> <p>(CT HA-T1158 under execution)</p> <p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37685298</p> <p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37685298</p>
Technical studies, design options & Economic analysis	<ul style="list-style-type: none"> • Traffic counting for Ennery – Plaisance and design options • Economic Analysis for the intervention at Ennery- Plaisance (HDM4) • Final Engineering Designs 	<ul style="list-style-type: none"> • June, 2013 • July, 2013 • Sep, 2013 	<p>To be included in the POD</p> <p>To be included in the POD</p> <p>To be included in the POD</p>
Environmental and Social Aspects	<ul style="list-style-type: none"> • Aide memoire from environmental and social mission • Map of Key Biodiversity Area • Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan and Resettlement Plan 	<ul style="list-style-type: none"> • Feb, 2013 • Feb, 2013 • Ago,2013 	<p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37685314</p> <p>http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37686092</p> <p>To be included in the POD</p>
Fiduciary and Institutional aspects	<ul style="list-style-type: none"> • Fiduciary and Institutional capacity analysis • Design of institutional framework for project execution 	<ul style="list-style-type: none"> • Jun, 2013 • Jun, 2013 	<p>To be included in the POD</p> <p>To be included in the POD</p>
Other topics	<ul style="list-style-type: none"> • Economic analysis for rehabilitation of airport Toussaint Louverture • Engineering Studies for Plaisance - Cap-Haitien 	<p>2013</p> <p>2014</p>	<p>To be financed by the operation</p> <p>To be financed by the operation</p>

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