

## TC ABSTRACT

HA-T1180

### Mitigating the Environmental Impacts of the PIC in the Caracol Bay

#### I. Basic project data

▪ Country/Region:	Republic of Haiti
▪ TC Name:	Mitigating the Environmental Impacts of the PIC in the Caracol Bay
▪ TC Number:	HA-T1180
▪ Associated Loan/Guarantee Number:	HA-L1055, HA-L1076, HA-L1081, and HA-L1091
▪ Team Leader/Members:	Graham Watkins (Team Leader, VPS/ESG); Stefanie Brackmann(VPS/ESG); Suzanne Casolaro (VPS/ESG); Melissa Barandiaran (VPS/ESG); Marie Bonnard (COH/RND); Bruno Jacquet (COH/RND)
▪ Date of TC Abstract authorization:	XX
▪ Donors providing funding:	TBD
▪ Beneficiary:	Republic of Haiti
▪ Executing Agency and contact name	VPS/ESG
▪ IDB Funding Requested:	US\$180,000
▪ Local counterpart funding, if any:	US\$150,000 (GEF-UNDP)
▪ Disbursement period (which includes Execution period):	Execution is 14 months and disbursement is 16 months
▪ Required start date:	July 2014
▪ Types of consultants (firm or individual consultants):	Consultant and consulting firm
▪ Prepared by Unit:	Environmental Safeguard Unit (VPS/ESG)
▪ Unit of Disbursement Responsibility:	Environmental Safeguard Unit (VPS/ESG)
▪ TC Included in Country Strategy (y/n):	Yes <sup>1</sup>
▪ TC included in CPD (y/n):	Yes
▪ GCI-9 Sector Priority:	This contributes to the goal of “supporting development in small and vulnerable countries” and to “assisting [...] in dealing with climate change, sustainable energy (including renewable) and environmental sustainability”

<sup>1</sup> One of the priority sectors of the country strategy is Agriculture and Environment.

## **II. Description of the Associated Loan**

- 2.1 The Bank is supporting the development of the Caracol Industrial Park (PIC) through a series of investment operations that will total approximately US\$180 million. The first two operations are currently in execution (HA-L1055, Grant #2552/GR-HA; and HA-L1076, Grant #2779/GR-HA), HA-L1081, and HA-L1091 currently under preparation.
- 2.2 The PIC site is 4 km inland from Caracol Bay. Caracol Bay is part of a coastal mangrove, sea grass, bay, and coral reef ecosystem that extends from Cap Haitien to *Lagon aux Bœuf*, and onwards into the Dominican Republic. This ecosystem act as spawning and nursery grounds for fish, mollusks and crustaceans. Local communities depend on resources from these ecosystems through artisanal and subsistence fisheries, through exploitation of mangroves for firewood, charcoal and building materials, and through the establishment of evaporation ponds for salt. The natural resources of these ecosystems are currently heavily over-exploited and degraded. There is a risk of the PIC compounding the rate of conversion and degradation these resources by increasing job prospects and thus migration into the area.

## **III. Objectives and Justification of the Technical Cooperation**

- 3.1 The environmental management plan for the PIC includes supporting the protection of Caracol Bay to manage the indirect and cumulative impacts of the PIC on the area's natural resources (see cumulative impact assessment for HA-L1076). Bank financing under HA-L1055 includes support for ecological baseline studies for Caracol Bay implemented through the Unité Technique d'Exécution (UTE) in the Ministry of Economy. The Bank, under HA-L1076, through the UTE, is also financing the development of sustainable alternative livelihoods for communities around Caracol Bay. Work to date has been focused on the areas near the PIC as the precise boundaries of the protected area were discussed and established.
- 3.2 In October 2013, the Council of Ministers approved the establishment of a marine protected area – Three Bays National Park (3BNP) – in north-east Haiti as proposed by the Comité Interministériel d'aménagement du Territoire to conserve local and regional biodiversity, maintain ecosystem services and mitigate against additional pressures that result from the ongoing development of the north east of Haiti. The 3BNP includes Limonade Bay, Caracol Bay, Fort Liberté Bay, and Lagon aux Bœuf. The 3BNP will be managed by the recently formed unit Agence Nationale des Aires Protégées (ANAP). Effective management of the 3BNP requires extension of the baseline studies for Limonade and Caracol Bay through the whole protected area including Fort Liberté Bay, and Lagon aux Bœuf. Both ecological baseline studies (Limonade/Caracol Bay and Fort Liberté/Lagon aux Bœuf) are being undertaken in close collaboration with the Ministry of Environment, ANAP, CIAT, UTE, and UNDP-GEF who together form the Comité de Suivi for the 3BNP. The Comité de Suivi has approved the terms of reference for these two ecological baseline studies.
- 3.3 The overall objective of this Technical Cooperation is to support the implementation of the 3BNP through completing the extended ecological baseline studies in Fort Liberté and Lagon aux Bœuf integrated with the Caracol Bay studies in such a way that the 3BNP will be able to use this information for the management of the whole protected area.
- 3.4 This Technical Cooperation will contribute to the GCI-9 goals of “supporting development in small and vulnerable countries” and “assisting [ . ] in dealing with climate change, sustainable energy (including renewable) and environmental sustainability.” The Technical Cooperation will also contribute to the sector priority of “Protect the environment, respond to climate change, promote renewable energy, and ensure food security.” The Technical Cooperation also supports the

Biodiversity and Ecosystem Services Program line of action of “incorporate biodiversity and ecosystem service value into key economic sectors.”

**IV. Description of activities and outputs**

4.1 This Technical Cooperation consists of two main activities:

4.1.1. Contract a consulting firm or non-government organization to extend the ecological baseline studies of Caracol Bay through to *Fort Liberté* and *Lagon aux Bœuf* (US\$140,000).

4.1.1.1. The tasks for the first activity include developing a geo-referenced understanding of the actual and historical trends in use of, and changes in, marine and coastal habitats. This will include reviewing existing information; assessing soil types; inventorying habitats and species; assessing ecosystem services; establishing information databases; mapping resources and resource use over time; identifying the main vulnerabilities and threats; and, establishing a future monitoring program.

4.1.1.2. The results of this work will be used to guide management planning (to be supported by GEF-UNDP) and monitoring within the 3BNP. The final report will include a methodological guide for the characterization, inventory, and analysis of biological resources in marine and coastal environments; complete description of the methodologies used in this assessment; databases of information on the marine, coastal, and river resources of the area; lists of potential indicators and a plan for monitoring; description of existing habitat risks and threats; and, identification of the principal concerns for the management of biodiversity in the area.

4.1.1.3. A clear requirement of this work is to coordinate and integrates the results of this ecological baseline study with the ecological baseline study of Caracol Bay.

4.1.2. Contract a protected areas specialist consultant to provide technical support to ANAP and the Ministry of Environment and work with these entities and the *Comité de Suivi* support the coordination of the several lines of work for implementing the protected area (ecological baseline studies, socio-economic baseline studies, alternative livelihoods support, and management planning) (US\$40,000).

**Indicative Results Matrix**

Project activity description	Expected outputs	Expected results
Ecological baseline study of <i>Fort Liberté Bay</i> and <i>Lagon aux Bœuf</i>	Ecological baseline report for this area seamlessly integrated with the ecological baseline report from Caracol Bay	Single integrated ecological baseline study report for 3BNP available for development of the management plan for the protected area coordinated with activities financed under HA-L1055, HA-L1076, and GEF-UNDP
Technical support to ANAP and the Ministry of Environment and coordination of activities to support establishment of the 3BNP	Three mission reports Three <i>Comité de Suivi</i> meeting minutes	

## V. Budget

5.1 The budget for implementation of this Technical Cooperation is US\$330,000 of which US\$150,000 is counterpart funding from the GEF-UNDP financing for the development of the National Protected Areas System (SNAP); US\$180,000 represents funding from the Bank.

### Indicative Budget

Activity	Description	IDB/Fund Funding US\$	Counterpart Funding US\$	Total Funding US\$
Establishing the protected area	Firm consultancy	140,000	0	140,000
Technical support to ANAP and MOE and coordination of 3BNP activities	Individual consultancy	40,000	0	40,000
Developing protected area management and business plan	Individual consultancies		150,000	150,000
<b>TOTAL</b>		180,000	150,000	330,000

5.2 Future financing for the implementation of the 3BNP will come from GEF-UNDP funding (Increasing Resilience of Ecosystems and Vulnerable Communities to Climate Change and Anthropogenic Threats through a Ridge to Reef Approach to Biodiversity Conservation and Watershed Management).

## VI. Executing agency and execution structure

- 6.1 The Bank will execute this program, consequently the institutional capacity of the Executing Agency or risks associated with the implementation of the project regarding fiduciary management are classified as low. As a result, supervision modality of the procurement procedures will be ex-post.
- 6.2 Financial management mechanism: The Bank will be the Executing Agency. In light of this the operation will be classified as low risk. There will be no Advance of Funds or Revolving Funds to be created, as the Bank will be paying the sole Contracting Entity. Payments will be in accordance with the contract, in line with the deliverables and all in accordance with the Bank's non-objection. The hiring of the Contracting Entity will have satisfied the Procurement policies of the Bank.
- 6.3 All procurement will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9); it will be complemented by (OP-387-1) and/or any subsequent modification that would be adopted by the Bank modifying the above mentioned document.
- 6.4 The Nature Conservancy has already been selected by the UTE (under HA-L1055) to undertake the ecological baseline studies for Caracol Bay. This group has demonstrated capacity to undertake ecological baseline studies and by extending their work will allow advantage to be taken of the presence of field teams and equipment in the north-east of Haiti. The Bank will therefore contract The Nature Conservancy through single source selection to implement the TORs for this work.

## VII. Project risks and issues

Risk	Mitigation
The GOH has not finalized a legal framework for management of the protected area and has not identified financing for staff in the region	GEF-UNDP SNAP is developing a sustainable financing plan for protected areas in Haiti. The Bank is working toward identifying additional financing to ensure GOH presence; GEF-UNDP is finalizing a proposal that will provide support to 3BNP
There has been little work carried out with the local communities to discuss the establishment of the protected area and their role in its management.	The <i>Comité de Suivi</i> is developing an approach to initial consultations on the new protected area. There will be a high level meeting in September 2014 to discuss the further development of 3BNP. The TORs for the work described in this TC include a specific component for stakeholder engagement.
Ongoing coordination with the MDE and the project to create ANAP is essential so that MOE is able to adequately prepare to assume management or co-management responsibility and financial sustainability at the conclusion of the Technical Cooperation.	This TC provides ongoing support from the Bank through the protected areas specialist who will work closely with, and help coordinate the activities of, the MOE, ANAP, and the <i>Comité de Suivi</i> .

## VIII. Environmental and Social Classification

8.1 This project is designed to have only positive environmental and social impacts. According to the results of the ESG Toolkit, this TC is classified as category “C”.

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