

**HAITI'S NORTHERN DEVELOPMENT CORRIDOR – IMPLEMENTATION OF  
THE EMERGING AND SUSTAINABLE CITIES INITIATIVE**

**HA-T1185 – US\$180,000 (SCT)**

**HA-T1186 – US\$800,000 (ESC)**

**CERTIFICATION**

I hereby certify that this operation was approved for financing under the Special Program for the Emerging and Sustainable Cities Initiative (SCT) in the amount of US\$180,000 and US\$800,000 by the Multidonor Fund for the Emerging and Sustainable Cities Initiative (ESC) through a communication dated April 9, 2013 subscribed by Jane de Souza Silva (ORP/GCM).

Also, I certify that resources from SCT and ESC are available for up to US\$980,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in U.S. dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

*Jane  
05/17/13*



Sonia M. Rivera  
Chief

Grants and Co-Financing Management Unit  
ORP/GCM

*05/20/2013*  
Date

Approved by:

*8/A* 

Alexandre Meira Rosa  
Sector Manager  
Infrastructure and Environment Sector  
INE/INE

**APPROVAL**

*05/20/2013*  
Date

**HA- T1185 / HA-T1186**  
**TECHNICAL COOPERATION DOCUMENT**

**I. BASIC INFORMATION**

<b>Country/Region</b>	Haiti, CDH
<b>TC Name</b>	Haiti's Northern Development Corridor – Implementation of the Emerging and Sustainable Cities Initiative
<b>TC Number</b>	HA-T1185 /HA-T1186
<b>Team Members</b>	Team Leader: Horacio Terraza (INE/WSA); Andrés Blanco (IFD/FMM); Arcindo Santos (FMM/CHA); Ana María Sáiz (FMM/CHA); Thierry Delaunay (WSA/CHA); Irene Cartin (INE/WSA); Patricio Zambrano Barragán (INE/WSA); and Taos Aliouat (LEG/SGO)
<b>Date of TC Abstract Authorization</b>	April 12, 2013
<b>Type</b>	Research and Dissemination
<b>Beneficiary</b>	Municipalities in the Northern Development Corridor - Haiti
<b>Executing Agency</b>	Inter-American Development Bank
<b>Donors providing funding:</b>	Special Program for Emerging and Sustainable Cities (SCT) and Multidonor Fund for the Emerging and Sustainable Cities Initiative (ESC)
<b>IDB Funding Requested:</b>	US\$980,000 (US\$180,000 SCT and US\$800,000 ESC)
<b>Disbursement Period</b>	36 months
<b>Execution Period</b>	30 months
<b>Required start Date</b>	Second Trimester of 2013
<b>Types of Consultants</b>	Individual Consultants and Firms
<b>Prepared by Unit</b>	INE/WSA and IFD/FMM
<b>Unit of Disbursement Responsibility</b>	INE
<b>Included in Country Strategy</b>	Yes
<b>TC Included in CPD</b>	No
<b>GCI-9 Sector Priority</b>	Poverty and inequality reduction and Support for initiatives in climate change, energy efficiency, and environmental sustainability

**II. OBJECTIVE AND JUSTIFICATION**

**A. Objective**

- 2.1 The TC's main objective is to finance the implementation of a tailored version of the Emerging and Sustainable Cities Initiative's (ESCI) methodology, focused on a specific area within the Northern Development Corridor in the Republic of Haiti. The operation seeks to support and build on existing development initiatives along the Corridor, while maintaining an integrated and regional perspective, in order to design planning strategies for a set of specific municipalities. Through these actions, this operation will contribute to the improvement of quality of life in the Corridor, along environmental, urban, and fiscal and governance areas.

## **B. Background**

- 2.2 ESCI provides support to fast-growing intermediate cities in Latin America and the Caribbean (LAC). This growth presents considerable challenges to cities in the region and calls for tools and mechanisms that can help identify priority areas of work and enable integrated responses for urban sustainability. ESCI represents an important step for sustainability in the region's intermediate cities.
- 2.3 The Bank approved ESCI on February 2012. The Initiative's goals are to improve the quality of life of emerging cities in LAC along three dimensions: (i) environmental and climate change, (ii) urban, and (iii) fiscal and governance. Cities receive support in two phases. First, the Bank and the city carry out a rapid assessment that leads to the development of an Action Plan that includes priority areas of work. Second, to facilitate the implementation of priority projects, ESCI helps with the development of preparatory studies according to priorities outlined in the Action Plan. ESCI's overall goal is to apply its methodology (identification, prioritization, and funding of specific actions conducive to sustainable development) in at least 26 fast-growing, emerging urban areas in the region, so as to include at least one city per Bank member country.

## **C. Justification**

- 2.4 The Northern Development Corridor has been selected for the implementation of ESCI in the Republic of Haiti in 2013. The Corridor extends some 70 km along the region's transportation backbone, *Route National 6*, which connects approximately 600,000 people. 40% of the region's population lives in Cap Haïtien; the remaining population is dispersed among *communes* with varying demographic characteristics—Quartier Morin, Limonade, Caracol, Terrier Rouge, Trou du Nord, Fort Liberté, Ferrier, and Ouanaminthe. The Corridor contains the municipalities within the area of influence of the Caracol Industrial Park (*Parc Industriel de Caracol, PIC*). Developed with IADB support<sup>1</sup> and located 25km southeast of Cap Haïtien—Haiti's second largest and fastest growing city—the PIC is a flagship economic development initiative that will potentially bring an estimated 20,000-40,000 new light manufacturing jobs to the region within the next five years. The PIC is but one among a number of economic development projects that will likely bring about rapid demographic and urban growth, which is already evident in the lands closest to these projects. These projects include a new university campus near the city of Limonade, a USAID-funded, 3,000 unit housing project, and the likely upgrading and development of new maritime port facilities along the Coast, among others. Together, these initiatives call for integrated planning for infrastructure, urban development, and natural resource management in the region. ESCI can play a key role in the mitigation of the PIC's potential impacts and ensure an interdisciplinary and regional approach for planning.
- 2.5 Unlike the work in other intermediate cities in LAC, Haiti's Northern Corridor presents a special case for ESCI: it includes a group of municipalities, each with particular characteristics (populations range from as few as 7,000 to over 100,000 people), yet all of them affected by sudden, rapid urban growth at a regional scale, and shared urban, environmental, and fiscal and governance challenges. From an environmental perspective, the region shows a high

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<sup>1</sup> The Bank is supporting the development of the PIC through a series of investment operations that will total approximately US\$180 million. Two operations are currently in execution (HA-L1055 2552/GR-HA and HA-L1076 2779/GR-HA) and a third (HA-L1081) is scheduled for approval in 2013.

level of vulnerability to hazards like floods and sea-level rise—alluvial floodplains comprise most of the Corridor’s area—as well as high seismic and tropical storm/hurricane risks. In addition, water supply for both residential and industrial use is currently sourced from the Massacre aquifer; future demand for basic infrastructure services will increase pressure on these resources. Finally, with regard to fiscal and governance topics, local municipal capacity varies greatly across the region, but it nonetheless exhibits a common problem: a considerably low tax base, dependence on national-level distribution of fiscal resources, and a critical deficit in terms of technical capacity for regional planning. Moreover, the *Nord* and the *Nord-Est* do not have a dedicated institutional entity capable of coordinating efforts at a departmental level.

- 2.6 A regional articulation of planning goals can also catalyze interdisciplinary work within the Bank, especially with regard to operations near the PIC. To understand the impact on coastal biodiversity and water quality and availability (with a scale-up option for national watershed management initiatives) in the areas immediately affected by industrial operations, the Bank has launched two targeted operations, HA-T1080 and HA-T1179, respectively. With regard to potential social impacts, a new operation, HA-T1181, is working to boost economic opportunities for women near the PIC. In parallel, a targeted operation (HA-T1083) is looking to formalize land use along the PIC’s perimeter. ESCI’s products will incorporate these sector-specific results into future planning strategies.
- 2.7 In light of these special dynamics and as a result of a joint analysis carried out by Bank’s specialists and local planning authorities in the Northern Corridor, ESCI will tailor its methodology to meet the particularities of the region. The initial diagnostic exercise will prioritize relevant studies while building on existing but disjointed planning efforts and studies throughout the region. The diagnosis will offer critical inputs to design and implement future urban interventions, i.e., local urban development strategies and pre-investment studies for the municipalities potentially affected by regional economic development initiatives. By necessity, these strategies and pre-investment studies will keep an integrated planning approach and will emphasize key planning topics, such as basic infrastructure quality and access, but also critical issues like mobility and logistics, which can together have a positive impact on sustainable economic development.
- 2.8 This Technical Cooperation (TC) is aligned with the strategic areas included in the Report on the Ninth General Increase in the Resources of the IDB (GCI-9), which requires the Bank to promote sustainable growth and the reduction of poverty and inequality in LAC. Ultimately, the goal of providing the Northern Corridor with a set of strategies and pre-investment studies matches the following GCI-9 priorities: (i) promote the financing of urban infrastructure, in support of competitiveness and social welfare; (ii) strengthen subnational institutions; and (iii) protect the environment and attend to the potential impacts of climate change.
- 2.9 This TC is equally aligned with the Bank’s Country Strategy for Haiti 2011-2015 (GN-2646), as it fosters economic development in the North, a focus area outlined in the Strategy<sup>2</sup>. This operation also follows two priority areas from IDB-9: the reduction of poverty and inequality, and support for initiatives in climate change, energy efficiency, and environmental sustainability.

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<sup>2</sup> See paragraph 3.1 from GN-2646.

- 2.10 ESCI's counterpart in Haiti for the coordination of work among the Corridor's municipalities is Haiti's Interministerial Committee for Territorial Planning (CIAT), a coordinating agency housed in the Prime Minister's Office. CIAT manages and coordinates territorial planning across relevant ministries and public institutions, and is thus the main interlocutor with a variety of public institutions and local stakeholders for planning in the Corridor. Given CIAT's central coordinating role, ESCI will work closely with it to establish formal dialogue with each relevant actor throughout this operation. To name a few instances: local governments depend on the Ministry of the Interior and Territory (MICT) for oversight and funding, and on the tax authority, the Direction Générale des Impôts (DGI) to carry out local tax collection and issue land leases. Technical review of construction and housing development depends on the Ministry of Public Works (MTPTC), which has the authority to halt construction should violation of codes and regulations occur in addition to being responsible for major basic infrastructure works in the region. The Ministry of the Economy and Finance (MEF) is currently in charge of execution of operations related to the PIC; the Ministry of the Environment (MDE), coordinates the conservation of coastal resources in the region. These are but a few governmental actors in the region, with whom CIAT carries coordination of activities, offering critical technical guidance for intersectoral work, establishing links with both local and international agencies, and ensuring the relevance, access, and applicability of planning initiatives. Indeed, CIAT has already led preliminary planning exercises in the region and has expressed a major interest in the development of regional and integrated urban infrastructure planning work as a way to catalyze sustainable urban development, especially in the areas closest to the PIC.

### III. DESCRIPTION OF ACTIVITIES/COMPONENTS, BUDGET, AND EXPECTED RESULTS

#### C. Component 1. Baseline Studies and Definition of Strategies (US\$380,000)

- 3.1 This component will finance activities associated with ESCI's analysis methodology, including (1.1) disaster risk and climate change vulnerability assessments, as well as urban growth and expansion studies; (1.2) analysis of key sustainability topics, including local surveys on quality and access of urban services and an economic analysis; and (1.3) the definition of planning strategies for local municipalities in the Corridor. Overall, this component will support baseline studies that represent critical inputs for interdisciplinary, integrated urban development strategies, capable of promoting urban and environmental renewal, as well as social integration in those areas most directly affected by economic development projects like the PIC. The results of these studies will support public and private interventions in the Corridor, and will offer guidelines for future programs designed to improve the quality of life in the region.
- 3.2 **1.1 Disaster risk and climate change vulnerability assessments & Urban growth and expansion studies (US\$300,000).** Includes the basic technical studies and measurement tools to adopt mitigation and adaptation initiatives to climate change and to increase resilience to natural disasters. Activities include studies on the vulnerability to observed and expected impacts of climate change, including floods, sea-level rise, droughts, temperature increase, and reduction of water supplies, susceptibility and social and economic impact analysis associated with different adaptation and mitigation actions, and technical guidelines to increase urban infrastructure resilience, among other items. With regard to urban growth and expansion topics, the assessment considers growth dynamics under past, current, and future trends, in order to inform successful infrastructure and environmental planning at a

municipal and regional level. A key element in this study is the analysis of infrastructure investment costs required for the provision of basic services for future growth pathways, and of mitigation works required to increase resilience.

3.3 **1.2 Analysis of Key Sustainability Topics (US\$50,000).** This TC seeks to incorporate civil society’s vision during each phase of implementation through analysis of key sustainability topics. To do this, the TC carries out (i) a public opinion and basic services survey that in the Northern Corridor presents not simply an opportunity to survey citizen priorities for future development, but also to gather important data on the quality and access of basic infrastructure services that will provide a partial update to census data (projections based on the 2003 census). In addition, ESCI funds (ii) an economic analysis (‘the cost of business as usual growth’) focused on all areas that, according to the vulnerability and urban growth studies, present critical challenges to the Corridor’s sustainability.

3.4 **1.3 Definition of planning strategies for local municipalities (US\$30,000).** All of the inputs included in Component 1 will be synthesized and utilized to define, in close collaboration with Bank specialists, local governmental counterparts, and civil society stakeholders, the guidelines, criteria, and scope of all pre-investment projects for the specific municipalities in the Corridor. This consulting engagement will deploy an interdisciplinary and integrated approach to guide prioritized investments.

**D. Component 2. Pre-investment Studies (US\$500,000)**

3.5 Based on the outputs from Component 1, this component will finance urban infrastructure studies—integrated and interdisciplinary—considered essential to ensure future sustainability in the Northern Corridor. These studies will cover ESCI’s three pillars (environment, urban, and fiscal topics). The target area for development studies will be the so-called ‘diamond’ surrounding the PIC—the municipalities closest to this development and to other urban projects along *Route National 6*.<sup>3</sup> The number of local pre-investment studies will focus on at least three municipalities; the depth and scope will be defined according to results of Component 1. Urban infrastructure studies will include, among others, civil engineering, urban and architectural, environmental, financial, and participatory planning topics.

**E. Component 3. Coordination Activities for Implementation in Haiti and Cross-sectoral Work (US\$100,000)**

3.6 This component will finance support activities and individual consulting engagements to support ESCI’s implementation in the Northern Corridor. Successful implementation requires (i) coordination activities across different governmental and civil society institutions in Haiti, as well as a proper articulation of cross-sectoral activities within the Bank. Interdisciplinary work is especially important to this Operation, given existing efforts from the Bank’s units—Fiscal and Municipal Management, Environmental and Safeguards Unit, and Water and Sanitation—to ensure sustainability pathways within and near the PIC. In addition, this component will finance (ii) local stakeholder engagement workshops, publications, and other communication activities.

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<sup>3</sup> The municipalities closest to the PIC are Limonade, Caracol, Trou du Nord, and Terrier Rouge. Education and housing initiatives, funded by actors as diverse as USAID and the Dominican Republic, among other projects, will have a direct impact on these urban settlements, as well as on other towns like Quartier Morin and Fort Liberté.

## IV. BUDGET

### F. Costs and Funding

- 4.1 The total cost for this TC is US\$980,000, funded as follows: SCT funds totaling US\$180,000 for HA-T1185 and ESC funds for US\$800,000 for HA-T1186 (see [Detailed Budget link](#)).

Components	Amount and Funding Source		Total
	SCT	ESC	
<b>Component 1.</b> Baseline Studies and Definition of Strategies	US\$80,000	US\$300,000	<b>US\$380,000</b>
<b>Component 2.</b> Pre-investment Studies		US\$500,000	<b>US\$500,000</b>
<b>Component 3.</b> Coordination Activities for ESCI Implementation in Haiti & Cross-sectoral Work	\$100,000		<b>US\$100,000</b>
<b>TOTAL</b>	<b>US\$180,000</b>	<b>US\$800,000</b>	<b>US\$980,000.00</b>

- 4.2 A detailed Procurement Plan can be found on this [link](#).

### G. Expected Results

- 4.3 The expected output of this TC in the short-term is to provide the municipalities in the Northern Corridor with planning instruments for regional sustainable development, including specific urban infrastructure projects for specific municipalities near the PIC. As a result, the Government of Haiti will be able to act upon a set of investment options, compatible with the technical and financial capacity required to execute said options effectively and efficiently. In addition, ESCI coordination activities will deepen cross-sectoral work within the Bank. It is expected that this operation will further subnational work for the Bank, keeping an integrated and interdisciplinary focus, as well as contribute toward effective planning of investments in the municipalities in the Corridor.

- 4.4 Products and expected results are as follows:

**Results Matrix**

Indicators	Unit	Base Value	Goal
Number of Disaster Risk and Climate Change Vulnerability Assessments	Document	0	1
Number of Urban Growth Studies	Document	0	1
Number of Public Opinion and Service Access Surveys	Database	0	1
Local pre-investment plans for local municipalities affected by the PIC	Document	0	3

## V. EXECUTION AGENCY AND STRUCTURE

- 5.1 At the request of the beneficiary (per letter of request from the Ministry of Economy and Finance), this TC will be executed by the Bank. The CIAT will be ESCI's main local partner for this operation, by providing expert review throughout the development of all baseline studies, giving technical inputs throughout the design of the city-specific plans, and ultimately, endorsing the final set of plans and strategies for municipalities in the Northern Corridor.

- 5.2 In addition, in accordance with Bank document GN-2629-1 and given that this operation represents a Research and Dissemination product, the Bank will be in charge of this TC's execution through ESCI's Coordination Group. ESCI has the specialized technical knowledge of methodology and procedures outlined in this TC, as well as experience providing technical assistance to subnational entities. Additionally, the Bank's execution ensures a minimum level of standardization for processes and the application of methodological instruments that ESCI provides, as well as the adequate operational coordination to ensure the project's success. Inside the Bank, ESCI's Coordinating Group will be in charge of the implementation, monitoring, and evaluation of semiannual progress reports.
- 5.3 All procurement of goods and services will be carried out in accordance with the Bank's policies applicable to TCs. For individual consultants, the Bank's Human Resources policies will apply (AM-650). For consulting firms, policies for the selection and hiring of consultants (GN-2350-9) using e-Sourcing will apply. For goods and non-consulting services the Policy for Institutional Procurement will apply (GN-2303-20).

## VI. BENEFITS AND RISKS

- 6.1 **Benefits:** In the short term, the Government of Haiti will be able to implement urban infrastructure development projects, based on an integrated, regional, and interdisciplinary vision capable of contributing toward urban, environmental, and fiscal sustainability in the Northern Corridor. All planning strategies and pre-investment studies, based on the baseline studies and surveys, will provide local municipalities with a set of investment priorities and options, compatible with local technical and financial capacity for execution.
- 6.2 In addition, ESCI coordination activities will catalyze cross-sectoral work within the Bank, especially with those divisions and sectors working in Northern Haiti.
- 6.3 **Risks:** The main risk that could have a negative impact on this operation rests on weak institutional capacity in Northern Haiti. This weakness is partially due to the high level of government centralization in Haiti, as well as to a general deficit in technical capacity for planning issues. To minimize this risk, ESCI will directly support those planning and impact mitigation actions for the areas near the PIC that can increase local supervision and project implementation and empower local municipalities and regional authorities.

## VII. EXCEPTIONS TO BANK POLICY

- 7.1 There are no exceptions to Bank policy.

## VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 According to the results of the Environmental Safeguards Toolkit, this TC is classified as category "C" (see [link](#)).

### **Annexes:**

Annex I: Letter of Request from Beneficiary ([link](#))

Annex II: Terms of Reference ([link](#))

Annex III: Procurement Plan ([link](#))