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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

SUPPORT FOR HAITI'S TRANSPORT SECTOR IV

(HA-L1089)

PROJECT PROFILE

The project team consisting of prepared this document: Carlos Mojica (INE/TSP), Team Leader; Olivia Désinor (TSP/CHA), Alternate Team Leader; Reinaldo Fioravanti, Rosana Brandao, Jean-Pol Armijos, Raul Rodriguez, Giovanna Mahfouz (INE/TSP); Michel Vallée (TSP/CHA); Brian Mc Nish (TSP/CPA); Renaud Tahon, John Renshaw, María Elena Castro-Muñoz, Nicolas Kotschoubey, France Francois (VPS/ESG); Nelly Wheelock, Daniel Bayes (CDH/CHA); Caroline Sipp (CDH/CDH); and Louis-Francois Chretien (LEG/SGO).

PROJECT PROFILE
HAITI
SUPPORT FOR HAITI'S TRANSPORT SECTOR IV

I. BASIC DATA

Project Name:	Support for Haiti's Transport Sector IV	
Project Number	HA-L1089	
Project Team:	Carlos Mojica (INE/TSP), Team Leader; Olivia Désinor (TSP/CHA), Alternate Team Leader; Reinaldo Fioravanti, Rosana Brandao, Jean-Pol Armijos, Raul Rodriguez, Giovanna Mahfouz (INE/TSP); Michel Vallée (TSP/CHA); Brian Mc Nish (TSP/CPA); Renaud Tahon, John Renshaw, María Elena Castro-Muñoz, Nicolas Kotschoubey, France Francois (VPS/ESG); Nelly Wheelock, Daniel Bayes (CDH/CHA); Caroline Sipp (CDH/CDH); and Louis-Francois Chretien (LEG/SGO)	
Beneficiary:	Republic of Haiti	
Executing Agency:	Ministry of Public Works, Transport, Energy and Communications (MTPTEC) through the Central Execution Unit (UCE)	
Financial Plan:	IDB:	US$50 million
	Government of Haiti (GoH)	US$10 million
	Total:	US$60 million[1]
Safeguards:	Policies triggered:	OP-102, OP-703 (B.4, B.5, B.6, B.7, B.14), OP-704, OP-710
	Classification:	B

II. GENERAL JUSTIFICATION AND OBJECTIVES

2.1 **Economic and social context[2].** Haiti has a population of 9,8 million inhabitants, 80% of whom live below the poverty line, making it the poorest country on the continent. GDP is US$7,84 billion and US$770 per capita. Its capital's economic activity accounts for 66% of the country's 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[3] to the country's less

[1] Other financing sources will be explored during project appraisal.

[2] References: "Action plan for national recovery and development of Haiti", GdH, March 2010; "Infrastructure and Institutions Emergency Recovery Project", World Bank, March 2010; "The World Fact book – Haiti", CIA, March 2013; "Haiti. Earthquake PDNA: Assessment of damage, losses, general and sectorial needs", March 2010; and "Comunicado conferencia internacional de donantes para el nuevo futuro de Haití", March 2010.

[3] "Mapping for Results - Haiti", 2012, World Bank (WB); Haiti Prospective Food Security Assessment, 2011, USAID.

developed regions[4]. A key element of this strategy is to rehabilitate and improve the transport infrastructure.

2.2 Transport in Haiti endures a series of critical limitations, most of which stem from the dual impact of historic low levels of investment in the sector and the chronic weaknesses of its institutions. Haiti has endured natural disasters through the years that have damaged key infrastructures, and thus rendered progress in the sector more onerous. The country's shortcomings in transport have acted as constraints for economic growth, people's access to basic services, and general social development.

2.3 **Air transport.** Air transport is of vital importance for the Republic of Haiti´s international connectivity, representing the most important means of transport in terms of passengers[5]. The main international entry point in Haiti is Toussaint Louverture International Airport (TLIA), which serves the capital of the country and accounts for 96% of the international air passenger traffic. TLIA experienced consistent growth between 2005 and 2012, increasing from 688,000 to 1,255,000 passengers per year and registering an average growth rate of 9.0% in that period[6]. TLIA currently attends 14 carriers offering non-stop services to 12 international markets in nine countries. As the only international airport with the capacity to receive large airplanes in Haiti, significant constraints in the airport operation represent an immediate restriction for the economic development and competitiveness of the country.

2.4 **Road transport**. Road transport is the leading mode of transportation for cargo and passengers in Haiti[7] and henceforth a fundamental mechanism for economic development and for the integration of the country. The national road network has a total length of 3,563 km, consisting of 950 km of primary roads, 1,315 km of secondary roads and 1,343 km of tertiary roads[8]. The road network in Haiti has poor infrastructure and maintenance conditions. In 2010 it was estimated that only 5% of the road network was in good condition[9], while 80% was in poor or very poor state. Moreover, only 10% of the roads receive continuous maintenance[10].

2.5 One of Haiti's main integration corridors is the Route Nationale 1 (RN1), extending from the country's capital Port-au-Prince to the second largest city, Cap-Haitien, in the North. The corridor plays a very important role in international trade facilitation and regional integration as it connects the two most important seaports and airport with the major cities and productive regions.

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[4] 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).

[5] In 2005 road transport from Dominican Republic accounted for 122.407 passengers (Sicra, 2011).

[6] Haiti Air Transport Market Review, preliminary report (Ricover, 2013).

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

[8] 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/km^2).

[9] 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 grant HA-0087.

[10] Post-Disaster Haitian Government Needs Analysis, Port-au-Prince, March 2010.

2.6 **Justification.** This operation will support the air and road transport sub-sectors by addressing the following issues: (i) basic infrastructure in TLIA needs to be restored to a state of good repair to ensure sustained functionality. The airport runway is in bad condition[11], severely deteriorated and showing excess of rubber accumulation, thus raising landing safety concerns. The control tower of TLIA was destroyed during the earthquake of 2010 and its absence limits the observation and communication capacity of airport controllers, therefore posing risks for aircraft traffic safety; and (ii) road infrastructure in RN1 needs to be rehabilitated to prevent mobility bottlenecks. The segment between Plaisance and Camp Coq shows severe pavement distress, an inadequate road alignment, poor signalization and drainage problems. These issues increase transport costs, pose road safety risks and hinder the country's integration potential.

2.7 **Bank's sector involvement**. In the past three years, 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 proposed operation will provide continuity to the sustained effort of the GoH to rehabilitate RN1. The Bank has financed interventions on RN1 from Port-au-Prince to Saint Marc (HA-L1046), from Gonaives to Ennery (HA-L1058) and from Ennery to Plaisance (HA-L1079)[12]. The Bank has also supported development of the air transport sector in Haiti by financing pre-investment studies. This included the master plan for development of the TLIA completed in 2008 (HA0087) and the strengthening of the airport's security (HA-M1006). More recently, the Bank has financed the basic designs for a new control tower and an update of the master plan for the international airport (HA-T1134).

2.8 **Objectives and project components.** The general objective of the project is to increase the competitiveness and connectivity in Haiti by reducing transportation costs and providing safer services. Specific objectives include the rehabilitation of the TLIA and the rehabilitation of a road segment on RN-1 between Plaisance and Camp Coq. The project will promote the country's regional and international integration potential and will support institutional strengthening for the transport sector in Haiti. Impacts on women and afro-indigenous population will be considered in project design.

2.9 **Component 1**. **Rehabilitation of the Toussaint Louverture International Airport infrastructure.** This component will finance: (i) the rehabilitation and improvements to the main runway; (ii) the construction of a new control tower; and (iii) mitigation of social and environmental impacts.

2.10 **Component 2**. **Rehabilitation of the Route Nationale 1.** This component will finance: (i) the rehabilitation and improvement of 12 km in RN-1 between Plaisance and Camp Coq; (ii) the maintenance of the same section during two years after completion of works; and (iii) mitigation of social and environmental impacts.

[11] The Pavement Condition Index (PCI) of the runway is 36, meaning that it is in bad condition. A PCI between 25 and 40 is considered bad condition and in a period of accelerated deterioration. Bank studies show that 67% of the runway is in bad or very bad condition. The runway was resurfaced for the last time in 1984 (Alvarez, 2013).

[12] Support to institutional strengthening has been financed through HA-L1046, HA-L1058, HA-L1079 and HA-T1177

2.11 **Component 3**. **Institutional Strengthening.** This component will finance: (i) sector studies, engineering designs, and environmental and social impact studies for future operations; (ii) training activities for the air transport sector in air traffic control and airport operations; and (iii) a road safety communication campaign for the segment Plaisance - Camp Coq.

2.12 **Component 4**. **Project Administration and Supervision.** This component will finance: (i) administration of the works and services by the UCE; (ii) supervision of all civil works by a specialized firm; and (iii) monitoring, evaluation and financial and environmental audits.

2.13 **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 priority sectors for Haiti. 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) by reducing transport costs, increasing the level of air transport service and safety and increasing the country's competitiveness and connectivity with the region.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

3.1 **Air transport coordination.** International assistance for the air transport sector in Haiti is coordinated by the International Civil Aviation Organization (ICAO). The IDB is part of the Haiti Civil Aviation Steering Committee along with other bilateral and multilateral organizations. Periodic committee meetings review the current state of the sector as a whole and provide update on assistance projects

3.2 **Technical studies.** The most relevant preparatory studies for project development include: (i) final engineering designs for the runway, completed in 2011[13]; (ii) basic designs for the control tower; final engineering designs will be procured as part of project preparation[14]; and (iii) final engineering designs for the Plaisance–Camp Coq road segment will be completed by November 2014[15].

IV. SAFEGUARDS AND FIDUCIARY SCREENING

4.1 **Execution**. This operation will be executed by MTPTEC, through the UCE. For the execution of Component 1, the UCE will sign an execution agreement with the National Office of Civil Aviation (OFNAC) and the Autorité Aéroportuaire Nationale (AAN) to ensure inter-institutional coordination.

4.2 **Safeguards.** The potential negative impacts of the project, associated with standard impacts of road and airport construction and operation, are expected to be moderate, and as such the project is classified Category "B" under OP-703. For Component 1 an Environmental and Social Audit (ESA) will be prepared to

[13] An updated budget and an environmental management plan will be prepared during project preparation.
[14] A calendar for this study will be developed as part of project preparation.
[15] A concept design will be developed by December 2013 for purposes of project appraisal.

assess any potential liabilities associated with the existing airport operations. An Environmental and Social Management Plan (ESMP) will be prepared to manage impacts of the runway rehabilitation. All works will be on the airport's land and within the security boundaries therefore no resettlement impacts are expected. Existing boundaries respect international standards (distance from runway to boundary) and no expansion is necessary or expected. For Component 2, and given the similarity in environments, studies prepared under HA-L1079 and concept stage designs will be leveraged to prepare a Scoping ESA and Preliminary Resettlement Plan (RP). The Scoping ESA and Preliminary RP will be used to inform the design of the project, including on the Key Biodiversity Area present in the project area, and will be completed prior to Board approval. A full ESA and RP, based on final project designs, will then be completed, satisfactory to the Bank and compliant with OP-710, prior to start of works.

4.3 **Procurement and fiduciary aspects**. UCE has shown progress in terms of procurement execution. However, increased workload due to high the number of contracts administered by the unit will require the implementation of actions to strengthen the procurement functions. These actions have been planned through project HA-L1058 and will start prior to the execution of this project. Procurement 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 will also apply for this operation, under the conditions foreseen therein. Financial risk for UCE was evaluated as medium-low according to an IDB-commissioned 2012 evaluation of Haiti executing agency capacities. Currently, UCE is reengineering key organizational processes and procedures, including an upgrade of their integrated systems. Their financial operational capacity is closely monitored through regular supervision visits.

V. OTHER ISSUES

5.1 **Sustainability.** The team will engage in technical dialogue with OFNAC and the AAN to ensure adequate infrastructure maintenance practices in the airport. Resulting agreements of this dialogue will be discussed in the project document and specific actions may be financed under this grant.

5.2 **Cost estimates.** Cost estimates for the road civil works will be prepared based on: (i) a project concept design; and (ii) the bidding proposals of the Ennery-Plaissance segment. These cost estimates will have higher uncertainty compared to estimates based on final designs. Thus, Component 2 will include an additional budget provision.

VI. RESOURCES AND TIMETABLE

6.1 Annex V details the timeline and resources required for project preparation. The POD will be presented to OPC on April 16, 2014 and distributed for approval by the Board of Directors on May 28, 2014. Resources estimated for project preparation, provided from administrative budget, amount up to US$87,500.

CONFIDENTIAL

[1] The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

SAFEGUARD POLICY FILTER

PROJECT DETAILS	
IDB Sector	Transport – Airport Infrastructure
Type of Operation	Investment Loan
Additional Operation Details	
Investment Checklist	Infrastructure Aviation
Team Leader	Mojica, Carlos Hernan (cmojica@iadb.org) (INE(TSP)
Project Title	Support for Transport Sector in Haiti IV
Project Number	HA-L1089
Safeguard Screening Assessor(s)	Tahon, Renaud (renaud@iadb.org); and Kotschoubey, Nicolas (nicolask@iadb.org) (VPS/ESG)
Assessment Date	2013-11-07

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 by the project are in a geographical area and 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)
	There are Associated Facilities (see Policy definition) relating to the investments being financed by the Bank.	(B.04)
	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 Decision Support System for more information).	(B.09)
	The operation has the potential to impact the environment and human health and safety from the production, procurement, use, and disposal of hazardous material, including organic and inorganic toxic substances, pesticides and Persistent Organic Pollutants (POPs).	(B.10)
	The operation has the potential to pollute the environment (e.g. air, soil, water, greenhouse gases.).	(B.11)
Potential Safeguard Policy Items (?)	No potential issues identified.	
Recommended Action:	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). A Disaster Risk Assessment (DRA) may be required (see Directive A-2 of the DRM Policy OP-704) in case of high risk, a limited DRA in case of moderate risk. Next, please complete a Disaster Risk Classification along with Impact Classification.	
Additional Comments:		

ASSESSOR DETAILS	
Name of person who completed screening:	Tahon, Renaud (renaud@iadb.org); and Kotschoubey, Nicolas (nicolask@iadb.org)
Title:	Environment Specialists (VPC/ESG)
Date:	2013-11-07

SAFEGUARD SCREENING FORM

PROJECT DETAILS	
IDB Sector	Transport – Airport Infrastructure
Type of Operation	Investment Loan
Additional Operation Details	
Country	HAITI
Project Status	
Investment Checklist	Infrastructure Aviation
Team Leader	Mojica, Carlos Hernan (cmojica@iadb.org) (INE(TSP)
Project Title	Support for Transport Sector in Haiti IV
Project Number	HA-L1089
Safeguard Screening Assessor(s)	Tahon, Renaud (renaud@iadb.org); and Kotschoubey, Nicolas (nicolask@iadb.org) (VPC/ESG)
Assessment Date	2013-11-13

PROJECT CLASSIFICATION SUMMARY		
Project Category: B	**Override Rating:** B	**Override Justification:** Reduce: re-configuration of project to reduce impacts intended **Comments:** -Disaster risks will be addressed in the design of the road -The project will ensure consultation and adequate representation of women in the resettlement plan.
Conditions/ Recommendations	☐ Category "B" operations require an environmental analysis (see Environment Policy Guideline: Directive B.5 for Environmental Analysis requirements). ☐ 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. ☐ 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**
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.	**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.

The negative impacts from production, procurement and disposal of hazardous materials (such as fuels and solvents) are minor and will comply with relevant national legislation, IDB requirements on hazardous material and international standards and guidelines such as the IFC Aviation Guidelines if applicable.	**Monitor hazardous materials use:** The borrower should document risks relating to use of hazardous materials and prepare a hazardous material management plan that indicates how hazardous materials will be managed (and community risks mitigated). This plan could be part of the ESMP.
Likely to have minor to moderate emission or discharges that would negatively affect ambient environmental conditions (potentially from noise, local air quality and water contamination from storm water runoff).	**Management of Ambient Environmental Conditions:** The borrower should be required to prepare an action plan (and include it in the ESMP) that indicates how risks and impacts to ambient environmental conditions can be managed and mitigated consistent with relevant national requirements and international standards and guidelines such as the IFC Aviation Guidelines (as appropriate). The borrower should: (a) consider a number of factors, including the finite assimilative capacity of the environment, existing and future land use, existing ambient conditions, the project's proximity to ecologically sensitive or protected areas, and the potential for cumulative impacts with uncertain and irreversible consequences; and (b) promote strategies that avoid or, where avoidance is not feasible, minimize or reduce the release of pollutants, including strategies that contribute to the improvement of ambient conditions when the project has the potential to constitute a significant source of emissions in an already degraded area. The plan should be subject to review by qualified independent experts. Depending on the financial product, this information should be referenced in appropriate legal documentation (covenants, conditions of disbursement, etc.).
Project construction activities are likely to lead to localized and temporary impacts (such as dust, noise, traffic etc.) that will affect local communities and workers but these are minor to moderate in nature.	**Construction:** The borrower should demonstrate how the construction impacts will be mitigated. Appropriate management plans and procedures should be incorporated into the ESMP. Review of implementation as well as reporting on the plan should be part of the legal documentation (covenants, conditions of disbursement, etc.).

DISASTER RISK SUMMARY	
Disaster Risk Category: Low	
Disaster/ Recommendations	• No specific Disaster Risk Management is required.

ASSESSOR DETAILS	
Name of person who completed screening:	Tahon, Renaud (renaud@iadb.org); and Kotschoubey, Nicolas (nicolask@iadb.org)
Title:	Environment Specialists (VPC/ESG)
Date:	2013-11-07

ENVIRONMENTAL AND SOCIAL STRATEGY (ESS)

I. PROJECT SUMMARY

Project Name:	Support for Haiti's Transport Sector IV
Project Number:	HA-L1089
Country:	Haiti
Project team:	Carlos Mojica (INE/TSP), Team Leader; Olivia Désinor (TSP/CHA) Alternate Team Leader; Reinaldo Fioravanti, Rosana Brandao, Jean Pol Armijos, Raul Rodriguez, Giovanna Mahfouz (INE/TSP); Michel Vallée (TSP/CHA); Brian Mc Nish (TSP/CPA); Nelly Wheelock, Daniel Bayes (CDH/CHA); Caroline Sipp (CDH/CDH); Louis-Francois Chretien (LEG/SGO), Nicolas Kotschoubey, Renaud Tahon Environmental Specialists (VPS/ESG), John Renshaw, Maria Elena Castro-Muñoz, France Francois, Social Specialists (VPS/ESG)
Beneficiary:	Government of Haiti (GoH)
Executing Agency:	Ministry of Public Works, Transport, Energy and Communications (MTPTEC) through the Central Execution Unit (UCE)
Funding:	Total project cost US$60 million
Safeguards Policies Identified:	OP-102, OP-703 (B.4, B.5, B.6, B.7, B.14), OP-704, OP-710.
Environmental Category:	B

II. PROJECT DESCRIPTION

2.1 The IDB is proposing to finance the Support for Haiti's Transport Sector IV (HA-L1089) operation in the first semester of 2014. In addition to a project management component, the operation will consist of two main components: (i) the rehabilitation of the Toussaint Louverture International Airport (TLIA) in Port-au-Prince; and (ii) the rehabilitation of a section of the Route Nationale 1 (RN1) Plaisance-Camp Coq. The operation is scheduled to distribute the Proposal for Operational Development (POD) in March 2014.

2.2 **Road segment**. The RN1 rehabilitation was started in 2009. Sections of the road have been financed in the last years. The current operation will rehabilitate the segment from the town of Plaisance, Department of the North, to Camp Coq, approximately 12 km to the north. The road is already a two-lane asphalt paved road and it will be upgraded to a more uniform 3.5 m wide per lane maximum, and shoulders on either side 1.5 m wide maximum. In urban areas, sidewalks 1-1.5 m wide will be provided. Rehabilitation will include drainage structures, slope protection, and retaining walls as needed.

2.3 **Airport.** The airport rehabilitation will consist of refurbishing the runway and its lighting system, and building a new control tower. The resurfacing of the runway will be in line with International Civil Aviation Organization (ICAO) requirements, and will include rebuilding the runway shoulders and resolving drainage issues underneath and along the runway.

III. INSTITUTIONAL AND REGULATORY CONTEXT

A. National Environmental Assessment and Permitting Requirements

3.1 **Environment.** The Haitian Ministry of the Environment (MDE) is responsible for national environmental and social laws and regulations. An 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 Environmental Impact Assessment (EIA) is under creation but not yet operational.

3.2 **Social.** 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 impact the right of ownership, expropriation, and compensation. In Article 36-1, the Haitian constitution provides the government with the right to expropriate land for public purposes as long as it follows certain procedural safeguards and provides appropriate compensation to entitled individuals. Expropriation is generally managed through the expropriation law (22 August 1951) as amended on 18 September 1979. It tasks the Expropriation Commission in MTPTEC to manage the expropriation process and clarifies that the expropriation process should contain three steps: (a) identification of affected properties and asset inventory; (b) verification of land deeds; and (c) valuation of assets. Resettlement itself is not covered.

B. Compliance with IDB 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 (the Minister of Transport); 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); Access to Information Policy (OP-102); Involuntary Resettlement (OP-710); and Disaster Risk Management Policy (OP-704).

3.4 The potential negative impacts of the project are those associated standard impacts of road and the ones from the runway rehabilitation. They are expected to be moderate, localized and temporary and as such the project is classified as a Category “B” under OP-703.

3.5 A small segment of the road (1.25 km) is located 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 as follows.

3.7 **Road segment.** An Environmental and Social Assessment (ESA) and a Resettlement Plan (RP) are required for this project. The ESA and RP will be commensurate with the scale of project interventions. Given the continuity of the current operation with the past operation (Ennery-Plaisance, HA-L1079), and the similarity in physical and social environment, studies and methodologies prepared under HA-L1079 will be leveraged to the maximum for this next segment of RN1. These studies and methodologies will be used as frameworks to manage impacts and risks through the implementation of appropriate mitigation measures, which will be implemented through an ESMP as part of the ESA, and a RP compliant with OP-710. An initial assessment of resettlement impacts (Resettlement Framework) will be prepared on the basis of the concept design of the road; an estimated resettlement budget will be incorporated into the road costs to ensure that there are sufficient resources for this purpose in the project. Adequate institutional arrangements will be incorporated to ensure that the implementing agency can adequately implement the resettlement plan as required.[1] A detailed resettlement plan approved by the Bank should be completed before works can begin.

3.8 **Airport**. An Environmental and Social Audit to assess any potential liabilities associated with current airport activities will be conducted according with OP-703 B.5 (Environmental Assessment, an audit and an Environmental and Social Management Plan (ESMP)) to manage impacts of the worked will be prepared. There will be no resettlement impacts; all works will be conducted within the airport's land and within the security boundaries. Existing boundaries respect international standards (distance from runway to boundary) and no expansion is necessary or expected.

3.9 In accordance with the Access to Information Policy (OP-102) the ESA, and audit will be disclosed on the IDB and UCE websites prior to the Analysis mission. The resettlement Framework will be disclosed prior to Board Approval. The final RP will be disclosed as soon as is completed and will be a condition to begin works.

3.10 **Gender Issues.** The project is expected to benefit all population under the project and do not present specific risks for women**.** The Resettlement Plan will comprise provisions to ensure women are consulted, participate in decision-making and are adequately compensated as necessary. The project will seek opportunities for women's participation in job creation during construction.

[1] The previous operations (HA-L1054 and HA-L1058 already allocated resources to strengthening the capacity of the Central Unity of Execution (CUE) in executing the social and environmental plans and programs of the projects contracting more social and environmental specialists to work full time.

IV. ENVIRONMENTAL AND SOCIAL SETTING AND CONTEXT

4.1 **Road segment.** The road is a continuation of the one financed by the previous operation (HA-L1079), and is therefore in a very similar environment. The road crosses both rural and urban habitat. It is located on the north face of a *morne* (mountain), is in a high rainfall area, and vegetation is, therefore, green with abundant forest. Coffee and cocoa are produced and sold on the roadside. Timber is sold all along the road, contributing to ongoing deforestation. For a distance of 1.25 km northward of Plaisance, the road is within a KBA, designated on the basis of rare and endangered species, some of which are endemic to Haiti. In the Camp Coq area, which is steep and mountainous, there are rock-falls on the road and unstable slopes.

4.2 The road surface is in relatively good condition, having recently been resurfaced for the 2013 carnival, held in Cap Haïtien. However, some potholes remain. Road hazards include blind curves and abandoned vehicles (see image in Registry). Road signs and markings (both horizontal and vertical) are inadequate. In urban areas, including Plaisance and Camp Coq, the road is closely bordered by properties, houses, markets, gardens and businesses.

4.3 Project schedule: a "Scoping ESA" will be completed by the end of February 2014. A Resettlement Framework and budget will be prepared on the basis of the road concept design and field scoping to be ready by the end of February. The project will go to Board on May 2014, and works will start no earlier than November 2014. A full ESA, together with topographic and all the other necessary studies including a complete Resettlement plan, and engineering design would be procured in February 2014 and are estimated to be completed in November 2014.

4.4 **Airport.** The Toussaint Louverture International Airport (the "Airport") is Haiti's primary airport. It lies north of Port-au-Prince, in Tabarre, in the Plain of the Cul-de-Sac, between the Mountains of Matheux (North) and Selle (South) (see Registry). The Plain of Cul-de-Sac (maximum 50 m above sea level) drains west to the sea, and east to Trou Caïman and Etang Saumatre, which are respectively about 13 and 23 km from the airport. These two water bodies comprise one of the 17 KBAs of Haiti, for their endemic and endangered species, and house many migratory birds that could use the plain of the Cul-de-Sac as a wintering zone or a migration route. The area in the direct vicinity of the Airport consists mostly of urban development.

4.5 The airport currently handles approximately 1 million passengers (77% of international flights) per year. The airport is regulated by the Office National de l'Aviation Civile (OFNAC) of Haiti and operated by Autorité Aéroportuaire Nationale (AAN). It comprises two passenger terminals (one domestic and one international), one 3 km runway, several warehouses and hangar facilities, and three jet bridges on a ramp that can handle up to 12 airplanes. The airport operates 12 hours a day from 6 am to 6 pm. Approximately 22 carriers use this airport, mostly connecting to the Dominican Republic, Cuba, Florida, several Caribbean islands, Panama, New York, and Montreal. Cargo is

handled principally by three Miami based carriers. The United Nations Stabilization Mission in Haiti (MINUSTAH) logistics center has operations on the south east corner of the airport.

4.6 The runway was last surfaced in 1984. It was expected to be in resurfaced for 20 years, but this period has been exceeded by 10 years. The airport now operates – following the 2010 earthquake - with a temporary, limited capacity control tower, located dangerously close to the runway. The limited capacity of the control tower causes delays and extended waiting times, resulting in excessive fuel consumption by incoming and outgoing jets, with additional environmental cost.

4.7 The World Bank 2010 Emergency Recovery Grant "Haiti - Infrastructure and Institutions Emergency Recovery Project" (US$65M) funded an evaluation of the Air Safety Navigation System, and through an additional US$35M approved in 2012 is planning to finance rehabilitation of aviation safety equipment, including communications equipment, air navigation equipment and runway lighting equipment for a total US$5.3M. Other improvements have been financed by GOH in recent years.

4.8 Project Schedule. The initial plan for control tower construction is 24 months; however changes in design are likely, which might affect planning as well. Works related to the runway would last 10 months based on the draft call for tender.

4.9 Works patterns. Runway related works will be performed mostly at night, between 9 pm and 5 am, for the runway to reopen at 6 am.

V. ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS AND CONTROL MEASURES

5.1 **Road segment.** In general terms, the rehabilitation and improvement of the Plaisance-Camp Coq road would have a positive impact on the country and the region, and would improve communications and the ease of travel between Port-au-Prince and Cap Haïtien, Haiti's two major cities.

5.2 The potential environmental impacts of the project would be direct, indirect and cumulative. These include: (i) 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, rivers, and potential hydrocarbon spills) if not adequately avoided or/and mitigated; and (ii) during construction increased threats to biodiversity from heavy traffic in the KBA section of the road (natural habitat) (iii) possible impacts due to inadequate management during construction.

5.3 The social risk and potential impacts related to this project include those that are incremental and temporary as well as indirect and cumulative risks such as: (i) traffic disruption and associated safety risks, noise, dust and other emissions during construction; (ii) the displacement of households, social service infrastructure, and formal/ informal economic activity. The indirect and cumulative impacts might also

affect the welfare of the community and cause the disruption of livelihoods, making it imperative that the RP mitigates these risks wherever possible; (iii) the influx of workers may also have impacts on local populations and increase the pressure on already limited social services, resulting in increased health risks (both sexual and nonsexual) and security risks for women and other vulnerable populations; and (iv) in the absence of substantial measures to mitigate safety risks, during the operation, traffic speeds and traffic volumes would impact pedestrians and motorists.

5.4 Cumulative impacts: The potential impacts from the road could be additional to impacts from other infrastructure projects in the area and in this case would have to be taken into consideration in the ESA and RP.

5.5 **Airport.** The rehabilitation works of the runway are expected to improve the safety of the landing and departures for the airplanes at the airport. It could also reduce the waiting time of planes and, therefore, their fuel consumption (thus reducing local air pollution and GHG emissions). Except with regard to changes in water flows around the runway, no material changes in impacts and risks are expected for normal operation in comparison to current situation.

5.6 The only potential impacts will be from the works contemplated for this financing which are expected to be typical for medium construction works for the construction period. Key specific issues identified at this stage are: (i) wastes/volumes to be excavated: according to the concept report provided for runway rehabilitation, close to 1.5 million cubic meter have to be removed. They would be landfilled unless an alternative reuse is found practical; (ii) raw materials needed amount to approximately 100,000 cubic meters, and no information on sourcing is available at this stage; in Haiti construction material is often sourced from riverbeds; (iii) runway safety: works will be performed during airport closure, in particular by night, and the runway will be ready for reopening every morning at 6am. This will entail specific safety and inspections procedures; and (iv) Worker Health and Safety: risks to workers from general contracting from operations include considerable loading, transporting and unloading of material.

5.7 Existing airport operations: At this stage little information is available of current impacts and risks from the operations of the airport or of current management practices (with regard to water, safety, noise, etc.); the situation is expected to be commensurate with that of a busy international airport in the context of a lack of resources- and following a severe earthquake. This will be assessed by an environmental and social audit (see Strategy below). Based on information on waste management observed by an IDB mission relates to sewage and other wastes, the airport has 5 or 6 septic tanks (no sewer treatment plant) which are regularly serviced by the airport's own tanker truck. Servicing the septic tanks takes place after airport hours (6 am to 6 pm). Sewage sludge is sent to Truitiers landfill, which is Port-au-Prince's only waste disposal site. Truitiers is not a sanitary landfill, but a management plan exists for the site, and waste is segregated into compostable waste, building debris, medical waste and other waste. However two other

sludge disposal sites exist (Titanyen and Morne-à-Cabrit) and during ESDD the project will explore if either of these sites is more suitable.

5.8 Other elements observed by the IDB team during the project identification mission: (i) Fuel terminal: The existing fuel terminal, managed by Distributeurs Nationaux SA (DINASA), appears safe and mostly well managed (based on short site visit by IDB Team), except for a minor oil spill (see Registry). The DINASA carries out training for its staff on Health and Safety. It follows international standards as established by Shell Oil Inc, shared with seven multinational oil companies. Fuel tanks all have safety retention basins, although one is earthen. Water samples from the oil/water separator are regularly sent to Miami for testing, and results have been good so far. Any waste oil is sold to a local industry (CFF - Caribbean Flavors and Fragrances) for burning; (ii) solid wastes (nonhazardous): The solid waste depository is located in an isolated area within the perimeter of the airport and consists of an open bin which gets evacuated by a third party (JEDCO) on a regular basis (see Registry). However, it was observed that the area is littered, as the bin is not always present when waste needs to be thrown away. Waste is sent to Truitiers landfill; (iii) hazardous wastes: Little information is available, however basic information on management of oil by the airport is that the airport services its own vehicles and produces approximately one barrel of used oil per month. Used oil is sent to Truitiers, although there is no facility to receive or treat used oil there; and (iv) health and safety: Some observed unsafe working conditions during an inspection (workers welding and handling metal while barefoot, without eye protection) (see Registry).

5.9 These issues will be addressed during ESDD.

VI. OTHER ISSUES

6.1 The following issues will be analyzed during project appraisal, however, these issues do not affect project eligibility:

6.2 **Road segment**. The road is in relatively good condition; however, broken-down trucks are parked on the road, posing serious safety risks. Additionally, some sharp curves are very dangerous causing “blind zones” for drivers entering the curves. Around Camp Coq there are rock-falls on the road. The rocks block drainage and pose risk to drivers (see Registry). This problem has to be addressed as part of the technical engineering designs and revegetation. The reduction of the blind-spots will have to also be taken into consideration to increase the safety of the roads for drivers and pedestrians alike.

6.3 **Oil spills**. On the RN1, a sizeable oil spill around Camp Coq was observed (see Annex), following the accident of an oil tanker. During Identification, it was not possible to evaluate the MTPTC’s capacity to respond to oil spills or other emergencies. A report from the UCE detailing what procedures and capacities exist, and what gaps remain, to respond to oil spills and other emergencies will be prepared by UCE during ESDD.

VII. ENVIRONMENTAL STRATEGY FOR DUE DILIGENCE

7.1 The strategy for environmental and social safeguards will be separate for the road and airport components.

7.2 **Road segment.** The project strategy is to carry out environmental and social studies for the road in two phases, given the short preparation timeline allocated to the project. The project will leverage- to the extent possible- the ESA and RP produced for the previous Ennery-Plaisance segment, and supplement them with new information. Studies would consist of a Scoping ESA and a Preliminary RP Study, carried out by one individual environmental and one or two social consultants, hired by INE/TSP. The studies will be in sufficient detail to inform the basic outlines of the road rehabilitation project, identify sensitive areas from a key biodiversity point of view, and propose specific mitigation measures, inclusive of costs. This information would guide the preparation of a more complete study to be carried out in a second phase (Full ESA and Full RP), which would include among others topographic, geological, geotechnical, hydrological, environmental and social studies, and engineering design, with complete surveys and baselines. ESG will provide environmental and social technical support to INE/TSP to ensure quality and compliance with Bank requirements. The Full ESA and Full RP, together with all the necessary studies and engineering design are estimated to be procured in February 2014 and completed in November 2014.

7.3 In line with IDB's policy, public consultation of the Scoping ESA and Preliminary RP Study with concerned parties (for example local authorities, representatives of local stakeholders, NGOs, the Ministry of Environment, MTPTC) will be held in the Plaisance-Camp Coq region before the Analysis Mission, in at least one round of consultation with meetings in the most populated areas along the road. Consultation will both inform and obtain information from local stakeholders about the project.

7.4 Negative environmental impacts can readily be avoided, reduced or mitigated by standard construction mitigation measures, for example: control of dust, emissions, and traffic management. These measures would take into account impacts associated with construction, impacts of roadside clearing using fire, the intensification of road traffic (impacts on road safety) and oil spills. The ESA would include a study of key biodiversity in sensitive spots, and propose adequate mitigation measures, for example community management of resources, underground passages for key species, as prescribed under Ennery-Plaisance (HA-L1079). Specific measures to protect key biodiversity will be integrated into the overall ESMP.

7.5 Negative social impacts can be attenuated at an early stage by establishing adequate communication and consultation with all project stakeholders, and by identifying ongoing, innovative social-oriented investments that will help increase project benefits. The ESA should take into account the socio-economic local context and indirect and cumulative impacts (if any), with specific actions to mitigate them. The road is an existing paved one. All the significant impacts already occurred in the past. The project is

rehabilitating the existing pavement and making the road safer. Straightening some curves neither make it a new road nor generate new impacts that cannot be prevented or mitigated by known measures.

7.6 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.

7.7 **Airport.** In October 2013, the IDB conducted a site visit to get a better sense of the characteristics of the area where the Project is being developed. IDB representatives also met with OFNAC and AAN to gain a preliminary understanding of the current practice for managing environmental and social aspects at the airport.

7.8 The strategy for the ESDD for the airport is twofold. First, MTPTC will carry out an Audit to assess airport compliance with international as well as local environmental, social, and health and safety regulatory requirements and best practices (e.g., laws, regulations, standards, permits, authorizations in Haiti, applicable international treaties) and any applicable Bank environmental and social policy or guideline. Outcomes expected from the Audit are: (i) a gap analysis; and (ii) an action plan that will be developed to define, as needed, corrective measures to be recommended with corresponding priority levels to the airport authorities. ESG has already reviewed the Request for Proposal for the recruitment of a consultant to carry out the Audit, and made recommendations. The consultant carrying out the studies will take into account the IDB's policies.

7.9 Second, the strategy is for MTPTC to prepare an ESA for the rehabilitation works (runway and tower). The audit and ESA will analyze current environmental and social management practices, evaluate potential impacts from the Project and recommend management plans to address them.

7.10 The Bank's Environmental and Social Due Diligence (ESDD) will review and analyze the Audit and ESA.

7.11 The above Audit should focus in particular on the following topics: (i) solid and liquid wastes (and their management); (ii) hazardous wastes (and management); (iii) airport safety patterns related to E&S issues (e.g. wildlife strike); (iv) ambient air quality; (v) noise; (vi) stormwater, groundwater, drainage (vii) health Safety and Security; and (viii) emergency response.

7.12 Particular attention will be on: (i) comprehensive waste management plans, considering as the case may be the landfills planned to be used; (ii) satisfactory information and procedures in place for the sound sourcing of material for the Project; (iii) satisfactory health and safety management plans for the project; (iv) satisfactory emergency and response plan; and (v) satisfactory monitoring plan. Adequacy of the above will be assessed in terms of completeness, sufficiency of detail, feasibility, budget, definition of responsibilities, timing, and degree of quality control.

7.13 Following completion of the ESDD, the Project Team will prepare an Environmental and Social Management Report (ESMR) which summarize the key impacts and risks and will provide a final assessment of the Project's compliance with IDB safeguard requirements. The ESMR will indicate how the environmental and social management measures are expected to be covered by Beneficiary commitments in the Grant Agreement and other contractual documents, and how the Bank will supervise their implementation.

COMPLETED AND PROPOSED SECTOR WORK

Study	Description	Date	Reference
1.Toussaint Louverture International Airport Master Plan	Long term development plan for the airport. Prepared by Aeroports de Paris Ingenierie (ADPi)	2008 and updated in 2013	Toussaint Louverture International
2. Toussaint Louverture International Airport Runway Rehabilitation Executive Design	Engineering designs, construction strategy and bidding documents for runway rehabilitation. Prepared by The Louis Berger Group	2011	Toussaint Louverture International
3. Toussaint Louverture International Airport Runway Pavement Inspection	Detailed analysis of the pavement condition and estimation of the Pavement Condition Index (PCI). Prepared by Guillermo Alvarez	2013	Toussaint Louverture International
4. Toussaint Louverture International Airport Control Tower Basic Design	Basic engineering designs for the airport control tower and technical blocks. Prepared by Aeroports de Paris Ingenierie (ADPi)	2013	Toussaint Louverture International
5. Toussaint Louverture International Airport Control Tower Executive Designs	Engineering designs, construction strategy and bidding documents for tower construction.	To be completed by August 2014	For year 2014
6. Haiti Air Transport Sector Review	Preliminary report. Assessment of Haiti's air transport market structure and institutional framework	2013	Haiti Air Transport Sector Review
7. RN-1 Ennery – Plaisance segment rehabilitation executive designs	Engineering designs, environmental and social analysis, bidding documents for road segment rehabilitation. Prepared by SNC-Lavalin	2013	RN-1 Ennery Plaisance segment
8. RN-1 Plaisance – Camp Coq segment rehabilitation executive designs	Engineering designs, environmental and social analysis, bidding documents for road segment rehabilitation.	To be completed by November 2014	For year 2014

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[1] The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.