

PROJECT PROFILE
HAITI
SUPPORT FOR HAITI’S TRANSPORT SECTOR V

I. BASIC DATA

Project Name:	Support for Haiti’s Transport Sector V	
Project Number	HA-L1098	
Project Team:	Carlos Mojica (INE/TSP), Team Leader; Olivia Désinor (TSP/CHA), Alternate Team Leader; Reinaldo Fioravanti, Elkin Bello, Giovanna Mahfouz (INE/TSP); Alejandro Fros (TSP/CHA); María Elena Castro-Muñoz, Nicolas Kotschoubey, France Francois (VPS/ESG); Romina Kirkagacli, Takady Konate (FMP/CHA); and Louis-Francois Chretien (LEG/SGO)	
Beneficiary:	Republic of Haiti	
Executing Agency:	Ministry of Public Works, Transport and Communications (MTPTC) through the Central Execution Unit (UCE)	
Financial Plan:	IDB:	US\$60 million
	Total:	US\$60 million
	Policies triggered	OP-703 (B.3, B.4, B.5, B.6, B.7, B.11), OP-102, OP-710, OP-704, OP-761
Safeguards:	Classification:	“B”

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 **Economic and social context.** Haiti has a population of 10.3 million inhabitants, 59% of whom live below the poverty line. The Gross Domestic Product (GDP) is US\$8.46 billion and US\$819 per capita¹. The economic activity of Port-au-Prince (PAP) accounts for 66% of the country’s GDP and 80% of the country’s industrial, commercial, and financial activities. The Government of Haiti (GoH) has set as a priority to foster economic development outside of the capital in order to bring much needed jobs to the country’s less developed regions. 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.

¹ The World Bank, 2013.

- 2.3 **Road transport.** Road transport is the leading mode of transportation for cargo and passengers in Haiti and henceforth a fundamental mechanism for economic development and for the integration of the country. The national road network has a total length of 3,572 km, consisting of 953 km of primary roads (27%), 1,315 km of secondary roads (37%) and 1,304 km of tertiary roads (36%). Although the quality of the road infrastructure in Haiti is improving, it lags behind other Caribbean countries. While 24% of the total road network is paved, this figure is higher in the Dominican Republic (49%), Trinidad and Tobago (51%), and Jamaica (73%)².
- 2.4 **Justification.** This operation will support the improvement of the transport network by rehabilitating road infrastructure in Haiti. The road network in Haiti has poor infrastructure and maintenance conditions. By 2010 only 5% of the road network was in good condition, while 80% was in poor or very poor state. Moreover, only 10% of the network receives sustained maintenance. Literature confirms a significant positive correlation between investment in transportation infrastructure, competitiveness, and economic growth^{3,4,5}. Such growth is the result of a reduction in transport times and costs, which enhances production efficiency. The reliability of transport services also increases, facilitating trade and the diversification of the economic productive structure.
- 2.5 **Route Nationale 1 (RN-1).** One of Haiti's main integration corridors is the RN-1, a 250 km corridor, extending from PAP 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. RN-1 needs to be rehabilitated to prevent mobility bottlenecks and negatively affect the transport of people and freight along the corridor. The segment between Camp Coq and Cap Haitien shows severe pavement distress, poor signalization, safety hazards and drainage problems. These issues increase transport costs, pose road safety risks and hinder the country's integration potential.
- 2.6 **Bank's sector involvement.** In the last decade, the GoH and the Bank have made significant efforts to overcome the important restrictions in coverage, capacity, level of service and safety conditions in the road network. Projects financed by the Bank have concentrated in the rehabilitation, improvement and maintenance of the national road network, and in the institutional strengthening of the MTPTC. In the past four years, the Bank approved a total of US\$291.5 million for

² World Development Indicators 2010, The World Bank.

³ Agénor, P. R. 2013. "Public Capital, Growth and Welfare. Analytical Foundations for Public Policy." Princeton University Press.

⁴ World Economic Forum. (2012). The Global Competitiveness Report 2012-2012. Geneva.

⁵ Calderón, C. and L. Servén. (2003). "The Output Cost of Latin America's Infrastructure Gap." In: W. Easterly and L. Servén (eds.). The Limits of Stabilization: Infrastructure, Public Deficits and Growth in Latin America, pp. 95-118. Stanford, CA: Stanford University Press.

investments in the transport sector⁶ supporting an extensive program of rehabilitation of the road network including interventions in the trunk network of National Routes (RN by its French acronym), including RN-1, RN-2, RN-7 and RN-8.

- 2.7 The Bank has financed interventions in RN-1 from Bon-Repos to Saint Marc (2348/GR-HA and 2663/GR-HA), from Gonaives to Ennery (2794/GR-HA), from Ennery to Plaisance (3085/GR-HA) and from Plaisance to Camp Coq (HA-L1089). Through these interventions, the Bank has secured financing for the rehabilitation of about 90 km of this corridor⁷. The rehabilitation of the Camp coq to Cap Haitien segment will complete the improvement of this corridor, where the IDB has been the main financing source.
- 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. Specific objectives include improving the quality of road infrastructure and road safety in the national transport network. The project will promote the country's regional and international integration potential and will support institutional strengthening for the transport sector in Haiti.
- 2.9 **Component 1. Civil works.** This component will finance: (i) rehabilitation and improvement of the national transport network; (ii) mitigation of social and environmental impacts; and (iii) supervision of all civil works.
- 2.10 **Component 2. Technical assistance and institutional strengthening for MPTC.** This component will finance: (i) sector studies, engineering designs, and environmental and social impact assessments for future operations; (ii) a road safety communication campaign for the intervened segments; (iii) development of a methodology, criteria, technology and design for a rural roads program; and (iv) preparation of a compensation and resettlement manual.
- 2.11 **Component 3. Project administration.** This component will finance: (i) administration of the works and services by the Central Execution Unit (UCE); and (ii) monitoring, evaluation and financial audits.
- 2.12 **Strategic alignment.** The project is aligned with the Bank's institutional priorities as outlined in the Report on the Ninth General Increase in Resources for the (GCI-9) (AB-2764). The project contributes to the lending program priorities of: (i) lending to small and vulnerable countries; (ii) lending for poverty reduction and equity enhancement⁸; and (iii) lending to support regional cooperation and integration. The project is consistent with the Bank's Country Strategy 2011-2015 (GN-2646). In this strategy, transport is one of the six priority sectors specifying

⁶ Approved operations, amounts and % disbursed: 2348/GR-HA for US\$29M (100%), 1922/GR-HA for US\$ 100M (89.46%), 2663/GR-HA for US\$55M (50.0%), 2794/GR-HA for US\$53M (26.3%), 3085/GR-HA for US\$50M (14.5%), 3175/GR-HA for US\$12M (100%), 2898/GR-HA for US\$17.5M (98.4%) and 3190/GR-HA for US\$50M (0%).

⁷ Support to institutional strengthening has been financed through 2348/GR-HA, 2794/GR-HA, 3085/GR-HA and ATN/OC-1400.

⁸ The project contributes for the country strategy objective of de-concentrating economic activity in less developed regions outside the metropolitan area of Port-au-Prince.

that the Bank's resources will be directed to: (i) rehabilitating and improving the primary network to consolidate a trunk road system that provides a safe and reliable connection between Haiti's main cities, seaports and airport; and (ii) strengthening of MTPTC to plan, execute and monitor project execution.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **Multiple works program.** The operation is designed as an investment grant for a multiple-works program to be implemented in a period of five years. The RN-1 segment between the towns of Camp Coq and Cap Haitien will be presented as the sample of the program. This sample will meet the technical, economic, environmental and social criteria that will be agreed with UCE before the operation approval. An additional set of road segments might be identified during the execution of the program and will be required to meet the agreed criteria before financing is approved.
- 3.2 **Technical studies.** The final engineering designs for the Camp Coq – Cap Haitien road segment will be completed by December 2014. This ongoing study considers key parameters towards the rehabilitation of this road section such as: (i) road safety of users and dwellers; (ii) deterioration of the pavement; (iii) road geometry; (iv) hydrological conditions and drainage elements; (v) geological conditions; (vi) traffic projections; and (vii) environmental and social elements, including environmental and social management plans as well as a resettlement action plan in accordance with Bank safeguards policies. In addition to this study, a cost-benefit analysis will be prepared to assess the economic feasibility of rehabilitating this section.

IV. SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 **Execution.** This operation will be executed by MTPTC, through the UCE. This unit supports the execution of transport projects financed mainly by the IDB, and in recent years, in the execution of projects financed by the World Bank and other donors.
- 4.2 **Safeguards.** Based on the available information, the sample project of the multiple works program will have a positive impact on the country and the region, and would improve communications and ease of travel between Port-au-Prince and Cap-Haïtien, Haiti's two major cities. It is expected that other roads, if selected under the program, will also have a positive impact. The potential negative impacts of the project, associated with standard impacts of road construction, are expected to be moderate, and as such the project is classified Category "B" by the Bank's policies under OP-703.
- 4.3 **Environmental and social risks.** The potential environmental impacts of the project would be direct and indirect, related the construction phase (and for work camps, decommissioning). These include generation of noise, dust, impacts on sensitive areas, rivers, and potential hydrocarbon spills, especially during the construction phase.
- 4.4 According to the preliminary study prepared based on the conceptual design of the road, construction will cause involuntary resettlement. However, because most

- of the works can be conducted within the current right of way, resettlement is expected to be reduced on an individual basis and limited to necessary situations. The segment of affected houses and lands are located at the mountainous part of the road, where houses are too close to the curbs. It is not anticipated that the project will impact other homes, lands, and businesses.
- 4.5 An Environmental Assessment (EA) and an Environmental and Social Management Plan (ESMP) will be completed prior to Board approval. A full Resettlement Plan (RP), based on project designs, will then be completed, satisfactory to the Bank and compliant with OP-710, prior to start of works.
- 4.6 **Procurement and fiduciary aspects.** Based on the 2014 update of the institutional capacity assessment (SECI), recent audit reports and site visits conducted by IDB fiduciary team, the proposed operation is expected to have a medium financial risk. While UCE has experience in managing fiduciary aspects, the above-mentioned reports have identified weaknesses in aspects such as budget planning, accounting, auditing and monitoring. The Bank is monitoring and supporting the implementation of corrective actions that gradually lead to an improvement of the fiduciary function.
- 4.7 With regards to procurement activities, UCE has acquired good knowledge of the Bank's Procurement policies. The procurement supervision method will be ex ante for most of the procurement processes for the time being. Some processes implying a low level of risk will be supervised on an ex post basis and some additional activities may shift to ex post during the execution of the project, subject to an evaluation of capacities to be conducted by the Bank's Procurement Specialist. UCE will need to continue strengthening its procurement planning and contract management capacity and work towards the establishment of a solid filing system. The level of risk in procurement matters can be defined as medium level.
- 4.8 Procurement for the proposed project will be carried out, as set out in the project operation document Annex III and in accordance with: (i) the Policies for the Procurement of Works and Goods financed by the Bank (GN-2349-9); and (ii) the Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank (GN-2350-9), of March 2011. These will be complemented by the special procurement provisions for Haiti while in place.

V. RESOURCES AND TIMETABLE

- 5.1 The Annex V details the timeline and resources required for project preparation. The Proposal for Operation Development (POD) will be presented to the Operations Policy Committee (OPC) on March 26, 2015 and distributed for approval by the Board of Directors on May 13, 2015. Resources estimated for project preparation, provided from administrative budget, amount up to US\$67,500.

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 REPORT

PROJECT DETAILS	
IDB Sector	TRANSPORT
Type of Operation	Other Lending or Financing Instrument
Additional Operation Details	
Investment Checklist	Infrastructure Road and Rail
Team Leader	Mojica, Carlos Hernan (CMOJICA@iadb.org)
Project Title	Support for Transport Sector in Haiti V
Project Number	HA-L1098
Safeguard Screening Assessor(s)	Kotschoubey, Nicolas (nicolask@IADB.ORG)
Assessment Date	2014-10-06

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
	Type of operation for which disaster risk is most likely to be low.	(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
	Potential to negatively affect women or gender equality (See Gender Equality Policy)	(B.01) Gender Equality Policy– OP-761
	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)
	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)
	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:	<p>Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.</p> <p>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.</p>	
Additional Comments:		

ASSESSOR DETAILS	
Name of person who completed screening:	Kotschoubey, Nicolas (nicolask@IADB.ORG)
Title:	
Date:	2014-10-06

SAFEGUARD SCREENING FORM

PROJECT DETAILS	
IDB Sector	TRANSPORT
Type of Operation	Other Lending or Financing Instrument
Additional Operation Details	
Country	HAITI
Project Status	
Investment Checklist	Infrastructure Road and Rail
Team Leader	Mojica, Carlos Hernan (CMOJICA@iadb.org)
Project Title	Support for Transport Sector in Haiti V
Project Number	HA-L1098
Safeguard Screening Assessor(s)	Kotschoubey, Nicolas (nicolask@IADB.ORG) (VPS/ESG)
Assessment Date	2014-10-06

PROJECT CLASSIFICATION SUMMARY		
Project Category: A	Override Rating: B	<p>Override Justification: Reduce: other (enter details in comments)</p> <p>Comments: Note: - Gender: is triggered for impacts during construction only (on markets, during resettlement); - Pollution is during construction, at work sites, from mishandling of diesel / oil / bitumen); - Accidents/mortality: we note that "in the absence of substantial measures to mitigate safety risks" this is a social risk - EIA should cover Decommissioning of work sites.</p>
Conditions/ Recommendations	<p><input type="checkbox"/> Category "B" operations require an environmental analysis (see Environment Policy Guideline: Directive B.5 for Environmental Analysis requirements).</p> <p><input type="checkbox"/> The Project Team must send to ESR the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.</p> <p><input type="checkbox"/> These operations will normally require an environmental and/or social impact analysis, according to, and focusing on, the specific issues identified in the screening process, and an environmental and social management plan (ESMP). However, these operations should also establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.) where necessary.</p>	

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, use and disposal of hazardous materials (excluding POPs unacceptable under the Stockholm Convention or toxic pesticides) are moderate to significant and will comply with relevant national legislation, IDB requirements on hazardous material and all applicable International Standards.	Hazardous Materials Management Plan: The borrower should document risks relating to the use of hazardous materials and prepare a hazardous material management plan (as part of the ESMP) that indicates how hazardous materials will be managed (and community risks mitigated). The borrower will be responsible for preparing the ESMP, which should include: a management plan that will address identification, labeling, handling, storage, use and disposal of the relevant hazardous materials. The plan might include confirmation from third-party specialists that risks have been adequately assessed and managed. An action plan should be defined and requires regular monitoring, reporting and independent review of implementation; this plan should be included in legal documentation (covenants, conditions of disbursement, etc.).
Generation of solid waste is moderate in volume, does not include hazardous materials and follows standards recognized by multilateral development banks.	Solid Waste Management: The borrower should monitor and report on waste reduction, management and disposal and may also need to develop a Waste Management Plan (which could be included in the ESMP). Effort should be placed on reducing and re-cycling solid wastes. Specifically (if applicable) in the case that national legislations have no provisions for the disposal and destruction of hazardous materials, the applicable procedures established within the Rotterdam Convention, the Stockholm Convention, the Basel Convention, the WHO List on Banned Pesticides, and the Pollution Prevention and Abatement Handbook (PPAH), should be taken into consideration.
Likely to have significant emissions or discharges that would negatively affect ambient environmental conditions.	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 and/or international standards. 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.).
Moderate Greenhouse Gas Emissions are predicted.	Greenhouse Gas (GHG) Assessment: The borrower should promote the reduction of project-related greenhouse gas emissions in a manner appropriate to the nature and scale of project operations and impacts. The borrower should quantify direct emissions from the facilities owned or controlled within the physical project boundary and indirect emissions associated with the off-site production of power used by the project. Quantification and monitoring of GHG emissions should be conducted annually in accordance with internationally recognized methodologies (i.e. IPCC - http://www.ipcc.ch/). In addition, the borrower should evaluate technically and financially feasible and cost-effective options for the reduction/offset of emissions that may be achieved during the design and operation of the project. The Sustainable Energy and Climate Change Initiative (SECCI) can help with this task (http://www.iadb.org/secci/).
Safety issues associated with structural elements of the project (e.g. dams, public buildings etc.), or road transport activities (e.g. increase in heavy vehicle movements, transport of hazardous materials, etc.) exist which could result in moderate health and safety risks to local communities.	Address Community Health Risks: The borrower should be required to provide a plan for managing risks which could be part of the ESMP; (including details of grievances and any independent audits undertaken during the year). Compliance with the plan should be monitored and reported. Requirements for independent audits should be considered if there are questions over borrower commitment or potential outstanding community concerns.
Transport of hazardous materials (e.g. fuel) with minor to moderate potential to cause impacts on community health and safety.	Hazardous Materials Management: The borrower should be required develop a hazardous materials management plan; details of grievances and any independent health and safety audits undertaken during the year should also be provided. Compliance with the plan should be monitored and reported. Depending on the financial product, this information should be referenced in appropriate legal documentation (covenants, conditions of disbursement etc.). Consider requirements for independent audits if there are concerns about commitment of borrower or potential outstanding community concerns.
The project will increase impacts and risks related to communicable diseases in local communities (often as a result of an influx of temporary or permanent labor).	Ensure the Borrower Addresses Disease Risks: The borrower should develop a program of education and infection illness prevention with emphasis on HIV and develop a plan to reduce transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor that include measures such as the screening of workers health. Depending on the scale, location and significance of risk educational programs, prophylactics and other measures may also be important.

<p>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.</p>	<p>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.).</p>
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DISASTER RISK SUMMARY

Disaster Risk Category: Low

Disaster/ Recommendations

- No specific disaster risk management measures are required.

ASSESSOR DETAILS

<p>Name of person who completed screening:</p>	<p>Kotschoubey, Nicolas (nicolask@IADB.ORG)</p>
<p>Title:</p>	<p>Environment Specialist (VPS/ESG)</p>
<p>Date:</p>	<p>2014-10-06</p>

**ENVIRONMENTAL AND SOCIAL STRATEGY (ESS)
SUPPORT FOR HAITI'S TRANSPORT SECTOR V**

I. PROJECT SUMMARY

Project name	Support for Haiti's Transport Sector V
Project number	HA-L1098
Country	Haiti
Project team	Carlos Mojica (INE/TSP), Team Leader; Olivia Désinor (TSP/CHA), Alternate Team Leader; Reinaldo Fioravanti, Rosana Brandao, Elkin Bello, Giovanna Mahfouz (INE/TSP); Alejandro Fros (TSP/CHA); María Elena Castro-Muñoz, Nicolas Kotschoubey, France Francois (VPS/ESG); Romina Kirkagacli, Takady Konate (FMP/CHA) and Louis-Francois Chretien (LEG/SGO)
Beneficiary	Republic of Haiti
Executing Agency	Ministry of Public Works, Transport and Communications (MTPTC) through the Central Execution Unit (UCE)
Funding	Grant: US\$ 50 Million
Safeguards policies identified	OP-703 (B.3, B.4, B.5, B.6, B.7, B.11), OP-102, OP-710, OP-704, OP-761
Environmental Category	B

II. PROJECT DESCRIPTION

- 2.1 The operation, conceived as a Multiple Works Program (MWP), will intervene on the Haiti transport network. Since the MWP is categorized as "B", components classified as Category "A" for its environmental and social impacts will not be eligible for financing under this MWP. Appropriate environmental and social (E&S) assessments will be required for each component, corresponding to the category.
- 2.2 **Representative sample.** A 31-km section of the RN1 between Camp Coq and Vaudreuil (a suburb of Cap Haïtien) has been chosen as a representative sample of the MWP. The works include 24 km of road rehabilitation and 7 km of markings and signaling only. Of the Bank's resources, 80% (US\$ 40 million) will be invested in the road's rehabilitation and the rest in other roads, access roads, intersections, etc., that meet the eligibility criteria.
- 2.3 The representative section of road passes through varied geography characterized by sinuous hillsides in mountainous areas (Camp Coq sector) where rock falls and landslides are common, particularly in the rainy seasons in the Morne Beudoret sector; straight flat road on the outskirts of Cap Haïtien/Vaudreuil in the coastal plain; and urban areas (See Annex 1, Figure 1). The road surface is in relatively good condition, having recently been resurfaced in 2013 (See Figure 2). However, some potholes remain and deterioration has already begun in certain segments. Road hazards include blind curves and abandoned vehicles (see Figure 3). Road signs and markings (both horizontal and vertical) are inadequate. In urban areas, the road is closely bordered by properties, houses, markets,

gardens and businesses in spite of which no sidewalks are present for pedestrians' ease and safety.

- 2.4 The rehabilitation of the road includes two major intersections: i) the intersection that provides access to the city of Plaines du Nord (a future bypass to Cap-Haïtien); and ii) an intersection with Route Départementale 14 to Limbé. Regarding the intersection leading to Plaines du Nord, a detailed design of a roundabout has previously been prepared. The intersection with Route Départementale 14 will also be studied under the current project to regulate speeds, improve security, and improve and regulate the design.
- 2.5 **Project schedule:** the project is expected to be presented to Quality Risk Review (QRR) in April 2015 and to the IDB Board in June 2015.
- 2.6 **Safety:** one important problem of the existing road is safety. Several features contribute to low security for pedestrians and motorists: many of the horizontal curves on the road are particularly sharp, the radii of these curves do not correspond to the posted speed limit, and some significant obstacles block the view of drivers and pedestrians, making it difficult to brake in time to avoid collisions. Additionally, some horizontal curves in the area have radii as low as 11 m, corresponding to a base speed of 20 km/h, so theoretically a posted speed of 10 km/h. The widths of the lanes are not adequate for a national road that receives substantial traffic.

III. INSTITUTIONAL AND REGULATORY CONTEXT

- 3.1 **Environment:** The Haitian Ministry of the Environment (MDE) is responsible for national environmental and social laws and regulations. An Environmental Impact Assessment (EIA) law has been drafted and approved by the Parliament, and the decree for its application approved; however the Ministry has limited capacity to enforce it. Similarly, the department within the MDE responsible for EIA is under creation but not yet operational.
- 3.2 **Social:** The legal and institutional framework in Haiti regulating compensation and resettlement is outlined by a number of laws that 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 MTPTC 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.
- 3.3 **IDB policy:** Key policies and directives triggered in this project include B.3 (screening); B.5 (Environmental Assessment); B.6 (Consultation) B.7 (Supervision and Compliance) and B.11 (Pollution Prevention) of the Environment and Safeguards Compliance Policy (OP-703); Access to Information Policy (OP-102); Disaster Risk Management Policy (OP-704); Gender Equality in Development (OP-761); and Involuntary Resettlement (OP-710).
- 3.4 On the basis of conceptual designs, impacts are expected to be mostly moderate, localized and temporary. An Environmental Impact Assessment (EIA) for the Camp

Coq-Cap-Haïtien road is under preparation. A Resettlement Plan (RP) will be needed to mitigate identified impacts on people and property including loss of buildings, agricultural land and productive assets along the road. The EIA should be ready by the time of the Analysis Mission.

- 3.5 Based on the representative sample proposed, the project was screened and was classified Category “B” under OP-703. This is therefore one of the eligibility criteria for future segments.

IV. ENVIRONMENTAL AND SOCIAL CONTEXT

- 4.1 Road segments and intersections from any region in Haiti could be proposed for financing under the MWP.
- 4.2 The representative sample to be rehabilitated under the proposed operation is a continuation of the previous IDB operation (HA-L1089, rehabilitation of the road Plaisance-Camp Coq), and is located in a similar setting. The 31 km from Camp Coq to Vaudreuil crosses both rural and urban habitat and is located on the north face of a mountain, in a high rainfall area. The road from Camp Coq to La Croix (6.9 km) is in mountainous terrain; from La Croix to Lombard (6.6 km) the road is in the valley of the Limbé river, it is on flat terrain; from Lombard to De Mer (3.6 km) the road crosses the Morne l’Etat (300 m above sea level); and from De Mer to Vaudreuil (9.4 km) the road is on flat terrain. In the mountainous terrain, it is subject to poor visibility; rock falls; sharp curves; and is generally bordered by forest. In the flat areas, the road is overall straight, and the land along the road is more intensely cultivated and settled (homes, farms and businesses). Vegetation is therefore green with abundant forest. Coffee and cocoa are produced and sold on the roadside. Timber is also sold along the road, contributing to ongoing deforestation (see Figure 4).
- 4.3 **Environment:** Haiti has a tropical climate. The cooler months (January and February) have daytime temperatures averaging around 24 degrees C. The hottest months are July and August, with temperatures reaching above 30 degrees C. Haiti gets most of its rain between April and November, although in the north local climate systems mean that the wetter months are around November to March. The quantity and regional distribution of rainfall is extremely variable. Haiti lies in the rain shadow of the Dominican Republic, and rainfall produced by northeast trade winds is stopped by the mountain ridge dividing the two countries. Northern and windward slopes of mountainous areas commonly receive two to three times as much precipitation as leeward slopes. Precipitation in mountainous areas can range from 1,200 mm to 2,700 mm, while in lowland areas it is usually less than 1,200 mm and can be as little as 550 mm.
- 4.4 Haiti is located within the Caribbean’s hurricane corridor, where along with the summer rain August marks the start of the hurricane season. For several months of the year high winds threaten to turn into potentially damaging tropical storms. Haiti is vulnerable to hurricanes as deforestation and steep slopes combine to create conditions of high runoff, resulting in erosion and flooding in the lowlands.
- 4.5 Deforestation is a significant problem in Haiti. Loss of forest to charcoal, timber and to agricultural land over the last three centuries has reduced forest cover from 75% to

- between 1.5-15% in that period.¹ Deforestation leads to erosion, dust, loss of agricultural productivity, reduction in rainfall, siltation of waterways and degradation of coral reefs and mangroves. An estimated 36 million tons of topsoil are lost in Haiti annually.
- 4.6 Charcoal production is estimated at approximately 7000 tons per week, 80% of which is consumed in Port-au-Prince. Approximately 200,000 people depend on its production, potentially making it Haiti's most important employer, particularly among the poor. It is therefore economically critical, and a socially sensitive issue to address.
- 4.7 Between De Mer and Vaudreuil, the road is very close to the Côtes du Nord Key Biodiversity Area (KBA). KBAs are internationally important areas that are essential for conserving biodiversity.
- 4.8 Haiti is seismically active as it sits astride the Enriquillo-Plantain Garden fault in the south and the Septentrional fault in the north. The shallow nature of the faults makes Haiti prone to earthquakes.
- 4.9 **Social:** The road crosses urban and semi-urban areas as well as rural areas. The biggest housing and public buildings concentrations are located in Camp Coq, Limbé, Pillatre and Morne Rouge. Some industrial activities have been identified along the road to Limbé and Morne Rouge. There are also small business stalls selling food and others goods along the road. A timber market located near Camp Coq operates on Sundays trading wood and construction material. This leads to a reduction in traffic lanes to only one on market days. All kind of vehicles, moto-taxis, trucks and tap-taps stop alongside the road for rest and to pick up/drop off passengers. This can occupy lanes and block traffic.
- 4.10 Agricultural lands are dedicated to the production of manioc, yam, pineapple, cabbage, corn, and sugarcane. The only unoccupied lands are those too steep or unusable due to erosion. Additionally, there are all types of land tenure situations present: titled lands with legal ownership; land owned by the State; occupied lands under annual payment agreements with the legal owner, and lands occupied by squatters. This situation should be taken into account in preparation of the RP.

V. IMPACTS, RISKS AND CONTROL MEASURES

- 5.1 Based on the available information², the rehabilitation of the Camp Coq-Vaudreuil road would have a positive impact on the country and the region, and would improve communications and ease of travel between Port-au-Prince and Cap-Haïtien, Haiti's two major cities. It is expected that the remaining roads selected will also have a positive impact.
- 5.2 The potential environmental impacts of the project would be direct and indirect, related the construction phase (and for work camps, decommissioning). These include generation

¹ Depending on the source e.g., World Bank.

² A preliminary analysis prepared by a consultant firm and revised by ESG focused on the Camp Coq-Cap-Haïtien road section.

- of noise, dust, impacts on sensitive areas, rivers, and potential hydrocarbon spills, especially during the construction phase
- 5.3 Cumulative impacts: The potential impacts from the road could be additional to impacts from other infrastructure projects in the immediate project area.³
- 5.4 **Social:** According to the preliminary study prepared based on the conceptual design of the road, construction will cause involuntary resettlement. However, because most of the works can be conducted within the current right of way, involuntary resettlement is expected to be limited. An initial assessment has identified around 12 properties to be affected. However, this number is expected to increase once the impacts on the steep segment of the road are included because houses and properties here are closer or within the road alignment.
- 5.5 Once the impact assessment is completed a resettlement plan (RP) should be prepared in accordance with IDB's OP-710 Involuntary Resettlement Policy. Accordingly consultations with affected parties should be carried out in order to reach agreements about compensation, resettlement site alternatives if needed, as well as other social matters required to reestablish or improve prior conditions.
- 5.6 The preliminary study has also identified Bois-Caïman, as the site where a religious ceremony takes place annually to commemorate the launching of the Haitian revolution in 1791 (see Figure 5). Every August, a pilgrimage is conducted to this site. Therefore, care should be taken during the planning of the works not to disrupt access to this important cultural heritage site.
- 5.7 **Consultations:** An initial consultation has been conducted with some stakeholders. However, this consultation has mainly targeted key national institutions such as the Ministry of Agriculture, Natural Resources and Rural Development, the Ministry of Environment, the Ministry of Planning and External Cooperation, the Ministry of Public Works and Transport as well as the National Direction of Potable Water. This process also included consultation with mayors in all the communes along the roads and a few local organizations, notably the Women Organization of Limbé. However, in compliance with Bank Policy future consultations should include community members at the grassroots level to ensure that the local community is aware and engaged in the rehabilitation prior to the start of the works. Specific consultation should be conducted with affected population in regards compensations and other supports required reestablishing or improving conditions after resettlement.
- 5.8 As in previous road projects to the Project should include actions to give women opportunities to benefit from the road both through work alternatives and opportunities to enhance their current economic activities. Specifically the project should seek opportunities for women to benefit from the project, namely: (i) employment opportunities in the works; (ii) to consult and benefit women working at the markets along the road; and (iii) ensure women heads of households are adequately consulted and compensated if affected by involuntary resettlement.
- 5.9 **Labor:** As in previous phases of the rehabilitation of RN1, a safety and health labor program should be prepared according to international labor standards and national labor

³ For example development in the North Corridor (Cap-Haïtien to Ouanaminthe)

laws to be followed during construction. Non-discriminatory hiring practices should be enforced and policies to hire local labor should be included in construction contracts. Any potential camp or construction sites should be planned following best practices in order to not negatively impact the local communities.

- 5.10 **Control measures:** For unknown segments under the MWP, the team will prepare a framework document, which will outline the E&S procedure to be followed. The framework document will support the Borrower and the Bank to: (1) ensure that the main environmental risks and opportunities of the MWP have been properly identified; (2) ensure that components are screened for environmental and social impacts; (3) engage government and potentially affected parties early on in the identification and analysis of strategic issues, actions, and development alternatives, in particular if future works will be regionally or nationally developed; (4) define and agree on a sequence of actions to address systematically and strategically environmental issues and priority actions; and, (5) ensure that adequate environmental information is available and collected for the decision-making process. The framework document should be triggered early in the decision-making process and prior to the implementation of components. Geographical aspects are critical and need to be evaluated early on, during project design and preparation.
- 5.11 **Next steps:** For the representative sample (Camp Coq-Vaudreuil segment) the draft EIA needs to be finalized following IDB standards. This entails to: describe in greater depth the physical, biological and human environment; identify and analyze the impacts; take into consideration cumulative, direct and indirect impacts, during all phases: preparation, works, operation and decommissioning;⁴ and propose mitigation measures for all impacts.
- 5.12 An Environmental and Social Management Plan (ESMP) as part of the EIA should be prepared prior to Analysis mission. The ESMP should incorporate the resettlement plan comprising consultations with communities in general and specifically with affected population. Additionally the ESMP should incorporate institutional arrangements for its implementation, namely: (i) the entity responsible for carrying out the mitigation measures; (ii) the entity responsible for conducting the monitoring and evaluation; (iii) definition of indicators; (iv) timeframe; and (v) cost and budget.
- 5.13 For the works yet to be defined, a framework document should be prepared as well as eligibility criteria that take into consideration Bank E&S policy. The framework document should include directives to take into account direct, indirect, cumulative, environmental and social impacts, during all phases (preparation, works, operation and decommissioning). These deliverables have to be prepared prior to the Analysis Mission, and will be the subject of ESG review for the preparation of the Environmental and Social Management Report (ESMR).
- 5.14 The social studies required are as following: A *Socioeconomic analysis* describing existing conditions in the project's influence zone as a base line to better identify benefits and negative impacts that should be mitigated; An impact assessment to identify all social impacts, temporary and definitive to propose mitigation measures accordingly; An

⁴ E.g., of work camps.

alternatives analysis to evaluate technical alternatives that might help mitigate social and environmental impacts; A *resettlement plan* (RP) including a census of population and assets affected as well as a compensation program; consultation regarding compensations and alternatives for resettlement should be completed as part of the RP. General *Consultations* with project's stakeholders should be conducted to inform them about their rights, and the benefits and impacts of the project and proposed mitigation measures. Following IDB policy on information disclosure, key project documents such as the EIA and the RP should be made public in adequate format and language.

- 5.15 These studies will be the basis to prepare the social section of the Environmental Management Plan. All of those, except for the RP, should be ready by Analysis Mission.

VI. OTHER ISSUES

- 6.1 Haiti lies in a zone that is prone to tropical storms, hurricanes, flooding, drought and earthquakes. For this reason, the Bank policy on Disaster Risk Management is triggered, with the aim of risk reduction. The studies being carried out (framework document and EIA/ESMP) should confirm that project designs are able to withstand the risks inherent in Haiti, including those from hurricanes and earthquakes.
- 6.2 The social risks 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. Additionally, if access to the cultural site of Bois Caïman is not properly managed by the project, it can lead to tensions with the community
- 6.3 **Additional Roads:** In the case of additional roads, yet to be defined, it is important to select those that fit category "B" criteria since the project has been categorized as B. Thus, the Project should avoid roads that may present lasting, large environmental impacts, large-scale involuntary resettlement, and uncontrolled cumulative impacts.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY FOR ANALYSIS

- 7.1 In line with IDB's policy, at least one public consultation of the EIA and RP will be conducted with concerned parties (for example local authorities, community members, representatives of local stakeholders, NGOs, the Ministry of Environment, MTPTC) in the Camp Coq-Cap Haïtien region prior to the Analysis Mission. Specifically, population affected for involuntary resettlement should be consulted regarding means analyzed to

reduce impacts, compensations and support required. Consultation should be a two-way process that informs and obtains feedback from local stakeholders about the project.

7.2 During Analysis, ESG/IDB will perform a review of the preparation of the project with regards to E&S issues. The Analysis phase will assess the following:

- a) Revision of project documents (framework document and EIA/ESMP) to confirm that the Project's potential direct, indirect and cumulative negative impacts and risks during all phases, on the natural and social environment, have been properly identified and evaluated, in particular those associated with: (1) road works; (2) sensitive environments and habitats; (3) health and safety during construction and operation; (4) management, storage, handling and disposal of hazardous materials; (5) adequate consultation; (6) cumulative impacts (7) natural disaster hazards from hurricanes and earthquakes.
- b) Assessment of compliance with applicable IDB environmental and social policies, including B.3 (screening); B.5 (Environmental Assessment); B.6 (Consultation) and B.7 (Supervision and Compliance) and B.11 (Pollution Prevention) 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); the Gender Equality Policy (OP-761).
- c) Assessment of Project's mitigation plans for impacts described, including indicators;
- d) Assessment of Beneficiary's capacity to identify, mitigate and monitor environmental, social, health and safety and labor aspects adequately.
- e) Evaluation of Project-related information disclosure and public consultation activities in accordance with IDB policies and international good practice.
- f) A grievances management mechanism will be designed to address possible problems arising from construction, resettlement or other issues related to road construction;
- g) An adequate communication and consultation program will be prepared to keep stakeholders informed about works progress, minimizing impacts and potential conflicts;
- h) Compliance of the project with national legislation;
- i) Definition of the eligibility criteria for other components to be financed by the MWP;
- j) Gap analysis;
- k) Revision of;
 - the right of way clearing procedures
 - Resettlement program

- Proposed Environmental Management System
- Environmental Technical Specifications

7.3 As a result of analysis, the Bank will prepare an Environmental and Social Management Report (ESMR) that will provide a synthesis of the relevant E&S aspects related to the Project and the proposed Bank recommendations in terms of specific E&S requirements to be included in the Loan Agreement.

Annex 1: Photos/Map

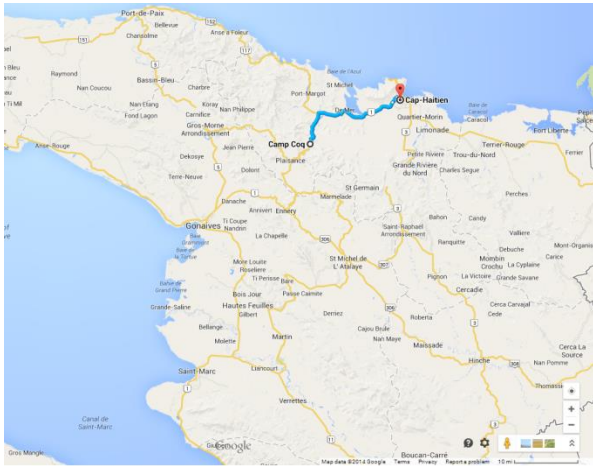


Figure 1: Map of known segment (Camp Coq-Cap-Haïtien) Figure 2: Road between Camp Coq and Cap-Haïtien



Figure 3: Road hazards: overturned vehicles road



Figure 4: Timber market along road



Figure 5: Historic site at Bois Caïman

COMPLETED AND PROPOSED SECTOR WORK

Study	Description	Date	Reference
RN-1 Camp Coq – Cap Haitien segment rehabilitation executive designs.	Engineering designs, environmental and social analysis, bidding documents for road segment rehabilitation. Prepared by WSP – Geninov.	To be completed by January 2015	
RN-1 Camp Coq – Cap Haitien segment economic analysis.	Ex ante cost-benefit analysis.	To be completed by January 2015	
RN-1 Camp Coq – Cap Haitien segment social mitigation	Resettlement Plan	To be completed by April 2015	
Feasibility studies for additional road segments of the multiple works program	Engineering designs, environmental and social analysis, economic evaluation, bidding documents for road segment rehabilitation.	To be defined	

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.