Early Warning System

IADB-HA-L1081

Productive Infrastructure Program II

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Quick Facts

Countries	Haiti
Specific Location	Caracol, Haiti
Financial Institutions	Inter-American Development Bank (IADB)
Status	Active
Bank Risk Rating	A
Voting Date	2013-08-07
Borrower	Government of Haiti
Sectors	Construction, Industry and Trade, Infrastructure
Potential Rights Impacts	Cultural Rights, Healthy Environment, Housing & Property, Labor & Livelihood, Marginalized Groups, Right to Food, Right to Health, Right to Water
Investment Type(s)	Grant
Investment Amount (USD)	$ 40.50 million
Project Cost (USD)	$ 40.50 million

Project Description

The "Productive Infrastructure Program II" project in Haiti intends to finance the expansion of the existing infrastructure and manufacturing facilities at the Caracol Industrial Park (PIC: Parc Industriel du Caracol), at 250-hectare site located 4km south of the city of Caracol and ecologically-sensitive Caracol Bay on the northern coast of Haiti. The first phase of the PIC project was initiated in 2011, which provided buildings and infrastructure to accommodate three manufacturing firms, including a 10 MW power plant. The flagship tenant, Sae-A Trading Company Ltd., as well as a second company, Peintures Carabes (Carribbean Paint), have started their operations in the PIC. The "Productive Infrastructure Program II" project will provide additional infrastructure (e.g. roads, a wastewater treatment plant), industrial facilities (e.g. warehouses, factories), cantines and dormitories for an additional 5000 workers, and management support required for the expansion and operation of the PIC. The project is currently in preparation; project managers will submit the Proposal for Operation Development in June 2013, and will seek board approval of the project in August 2013.

**Source: IADB Project Profile

Early Warning System Project Analysis

CATEGORIZATION

This project is classified as Category A, which, according to the IADB, is *likely to cause significant negative environmental impacts and associated social impacts, or to have profound implications for natural resources.* With additional tenants and an increase in workers, the PIC is likely to exacerbate environmental and social impacts leading to increased pressures on already fragile ecosystems and natural resources, increasing the vulnerability of local communities to impoverishment. Two overarching concerns related to the PIC operation are: (1) potential for uncontrolled housing expansion; and (2) continuation of the construction without a simultaneous compliance with environmental and social safeguards and implementation of mitigation measures.

**Source: IADB Project Profile

People Affected By This Project

APPLICABLE SOCIAL AND ENVIRONMENTAL STANDARDS

OP 761. Gender Equality in Development Policy
OP 703. Environment and Safeguards Compliance Policy
OP 704. Natural Disaster Risk Management Policy
OP 102. Access to Information Policy

IADB does not consider this phase of the project to invoke OP 710, Involuntary Resettlement Policy. Significant displacement did occur, however, during the initial construction of the PIC, but the IADB believes additional infrastructure included in *Productive Infrastructure Program II* will not cause further displacement. A Compensation and Livelihoods Restoration Plan was created during the first phases of the project, but there have been delays in its delivery of benefits to impacted peoples.

**Source: IADB Project Profile

Investment Description

- Inter-American Development Bank (IADB)

The Inter-American Development Bank will provide the Government of Haiti with a grant of US$ 40.5 million, as one of four grants totaling US$180 million over six years, in order to supply and support the operation of the PIC. The United States Government Department of State and United States Agency for International Development (USAID) are also providing grants in support of the project.

Contact Information

IADB Team Leader:
Santos, Arcindo B.
ARCINDOS@iadb.org

Ministry of Economy and Finance,
Technical Execution Unit:
Route de Caracol No 14,
Caracol, Hati
Nord d'Oeust
Zip Code: HT 2340
HAITI
Tel. + 509 28 13 18 83
Info.Caracol@UTE.Gouv.ht

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- Environmental Assessment -Temporary Sewage Treatment System [Original Source]
- HAITI. Productive Infraestructure Program II. (HA-L1081) [Original Source]
- PN3B Baseline (EN) [Original Source]
- PN3B Baseline (FR) [Original Source]
- Rapid Ecological Baseline - Trou du Nord [Original Source]
- TC Abstract HA-T1180 [Original Source]
- Updated Etude Impact Cumulatif PIC_FINAL [Original Source]

Other Related Projects

- IADB-HA-G1035 Productive Infrastructure Program III