



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 06-Dec-2019 | Report No: PIDA27723



BASIC INFORMATION

A. Basic Project Data

Country Haiti	Project ID P168951	Project Name Cap Haitien Urban Development Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 06-Dec-2019	Estimated Board Date 06-Mar-2020	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Public Works, Transport and Communications	

Proposed Development Objective(s)

The proposed Project Development Objective is to improve selected urban infrastructure and public spaces to support a more livable and resilient Cap-Haïtien city-region.

Components

- Component 1: Urban Infrastructure Investments
- Component 2: Technical Assistance
- Component 3: Contingent Emergency Response
- Component 4: Project Management and Implementation Support

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	56.00
Total Financing	56.00
of which IBRD/IDA	56.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	56.00
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IDA Grant	56.00
Environmental and Social Risk Classification	
Substantial	
Decision	
The review did authorize the team to appraise and negotiate	

B. Introduction and Context

Country Context

1. Haiti’s geography, people, and history provide it with many opportunities. The third largest Caribbean nation by area and population (11 million in 2017), Haiti has an illustrious early history, as the first independent nation in the region. It is close to major markets, has a young labor force, a dynamic diaspora, and substantial geographic, historical, and cultural assets. The country possesses untapped markets and a pent-up demand for the private sector to explore, including agribusiness, light manufacturing, and tourism¹.

2. Despite these opportunities, Haiti remains the poorest country in the Western hemisphere, suffers from recurrent episodes of institutional instability and is highly exposed to natural hazards. The country’s GDP per capita was only US\$766 in 2017 and, 24 percent of the population was still living in extreme poverty in 2012². Historically, political violence and instability have been both a symptom and a driver of fragility in Haiti. The social contract between the Government and its citizens remains weak, as over the past decades, there has been little improvement in living conditions, service provision and enforcement of rule of law. Furthermore, over 93 percent of its surface and more than 96 percent of the population are exposed to two or more hazards. Climate change is expected to increase the frequency and severity of hydro-meteorological hazards³.

3. Since February 2019, the fiscal, political and security situation of the country has deteriorated. Weak revenue mobilization⁴ continues to pose severe constraints to public investments, undermining growth and exacerbating the economy’s vulnerability to shocks. Since May 2019, the parliament has not been able to ratify the nominated Prime minister, leaving the country without a fully functioning government. Recurrent mass demonstrations, the uncertain political situation and persistent security challenges are hampering the country’s growth and development prospects.

Sectoral and Institutional Context

4. Haiti is urbanizing very fast, in an uncoordinated and unregulated manner, resulting in over-crowded cities with poor livability. Between the year 2000 and the year 2016, the urban population grew 5 percent on average annually. Estimates from the recent Haiti Urbanization Review⁵ suggest that 64 percent of the population lives in urban areas, making it the 4th most urbanized country in Latin America and the Caribbean. Haitian cities are overcrowded, accumulating wide gaps in urban infrastructure and services and are far from being livable places. As many as 35 percent of urban residents lack access to clean water, and only a small fraction of urban land is dedicated to road infrastructure and open space, limiting mobility and places for human interaction. More than half of urban areas are

¹ CPF 2015-2019

² Extreme poverty declined from 31 percent in 2000

³ Climate projections for the Caribbean estimate that temperatures could rise from between 0.5 to 2.3 °C by 2060, possibly leading to cyclonic events of increased duration and intensity.

⁴ Haiti has one of the lowest domestic resource-mobilization rates in the Western Hemisphere. At just 12.6 percent of GDP in 2018.

⁵ This section draws heavily on Lozano-Gracia & Garcia Lozano (2017), Haitian Cities: action for today with an eye on tomorrow



exposed to flood hazard and urban expansion continues to occur in hazard-prone areas, resulting in a growing number of people and assets exposed to climate change and disaster risks.

5. Cap-Haïtien - the country's second largest city and a potential growth pole in the North faces drastic urban development challenges constraining its economic potential and quality of life. The city was estimated to have around 320,000 inhabitants in 2015; in the same year, the larger metropolitan was home to around 500,000 inhabitants. It is the second-largest commercial center in the country and is strategically located in the center of the Caribbean basin. The city also counts with a well-defined historical center and is close to world-class cultural and natural heritage assets⁶. However, access to basic services is low and decreasing (e.g. solid waste collection, water supply and sanitation). Most of the population lives in high-density⁷, high-risk areas⁸, with poor road infrastructure and few open spaces⁹. The city is also quickly urbanizing in high-risk areas, thus increasing the hazard exposure.

6. A coordinated territorial effort is underway to make Cap-Haïtien a better place to live, visit and do business. Given the considerable challenges and the strategic importance of Cap-Haïtien, the city has benefited from the development of several planning and visioning instruments¹⁰ as well as a large and diverse set of investments by the World Bank, the Government and other donors¹¹. The World Bank has two ongoing operations in the city: The Cultural Heritage Preservation and Tourism Sector Support Project (PAST), and the Municipal Development and Urban Resilience Project (MDUR). A third project, the Haiti-Caribbean Regional Air Transport Connectivity Project (CATCOP) is being prepared to support the improvement of the city's airport.

7. The proposed project fits within this coordinated territorial approach, complementing existing operations, by focusing on improving urban infrastructure and public spaces through transformative urban initiatives. The project will support a combination of urban infrastructure and public space improvements concentrated in the Cap-Haïtien municipality and technical assistance activities aimed at strengthening the capacity of the local government.

8. The project includes a public-space citizen-centered approach which is justified through various angles. First, this type of approach has proven to be a useful way to strengthen the social contract between Governments (including municipalities) and its citizens. Second, as recognized recently through the Sustainable Development Goals, for cities to function in an efficient, equitable and sustainable way there needs to be a symbiotic relationship between private and public spaces. Third, a public-space centered approach can be a useful tool, if designed for such-purposes, for disaster risk management and climate resilient urban development.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The proposed Project Development Objective is to improve selected urban infrastructure and public spaces to support a more livable and resilient Cap-Haïtien city-region.

Key Results

9. The project is expected to achieve the following results;

- a) People directly benefiting from resilient urban infrastructure and public space improvements (Number)
- b) Time saved to go from the National Road 1 to the National Road 3 (percentage)
- c) New or rehabilitated urban public spaces (sq.mt)

⁶ Among these assets are the National Historic Park-Citadelle, Palais Sans Souci and Ramiers – a UNESCO World Heritage Site and the tourism port of Labadie.

⁷ As many as 74 percent of the population lives in high-density neighborhoods. A large share of the population (60 percent) do not commute or commute by foot.

⁸ Around 72 percent of its buildings are in flood-prone areas, 73 percent of built-up areas within 3 km of the city center are in areas with high exposure.

⁹ Only 2.6 percent of the city is occupied by roads. This is much lower than that of developed countries (e.g. New York 36 %) and African cities (e.g. Kigali 15.0%)

¹⁰ Such as the Urban Development Plan for the Cap-Haïtien Pole (2013), the Cap2020 initiative and, the Plan for Disaster Risk Reduction in Cap-Haïtien (2018).

¹¹ Other donors, such as the French Development Agency (AFD), and the Interamerican Development Bank (IDB) focus on solid waste, and water supply & sanitation.



D. Project Description

10. The project will comprise four components: Component 1–Urban Infrastructure Investments; Component 2 – Technical Assistance; Component 3 – Contingent Emergency Response; and Component 4 – Project Management and Implementation Support. The Project cost is estimated at US\$56 million.

11. **Component 1: Urban Infrastructure Investments.** This Component will support the improvement of urban infrastructure and public spaces, using an integrated approach. Investments can be broadly grouped into: (i) large urban infrastructure investments; and (ii) neighborhood upgrading investments both of which will make use of resilient design and construction practices. In both cases, investments will support: the upgrading of open and green areas, such as parks, playgrounds, squares and waterfronts; and/or the rehabilitation of roads and associated infrastructure, such as drainage, sidewalks, pedestrian walkways, street lightning, and bike paths¹². Two large urban infrastructure investments have been identified for project support: (i) the upgrading of a section of the Cap-Haitien waterfront¹³, and (ii) the rehabilitation of the SOS road¹⁴. Two neighborhoods - *Balan* and *Petit Anse* have been selected to benefit from neighborhood upgrading. Component 1 includes a flexible and phased approach as twenty percent of its funds have not been allocated. The specific use of unallocated funds will be decided during the second year of project implementation, depending on the evolution of the local context, and following a defined set of principles and procedures. Unallocated funds can be used to finance additional large urban infrastructure investments and/or to expand neighborhood upgrading investments.

12. **Component 2: Technical Assistance.** This Component will support the implementation of Component 1 activities by strengthening the capacity of the municipality to maintain urban infrastructure investments, including training on climate resilience, and by supporting the municipality in implementing small Urban Management Initiatives (UMIs). It will also complement technical assistance under the MDUR and the PAST projects.

13. **Component 3: Contingent Emergency Response (CERC).** This Component will finance the implementation of emergency works, rehabilitation and associated assessments, at the Government’s request in the event of a disaster. In the event of an emergency, uncommitted funds may be reallocated from other components in accordance with an Emergency Action Plan prepared by the Government of Haiti and the CERC’s implementation modalities.

14. **Component 4: Project Management and Implementation Support.** This Component will finance costs related to project management and implementation support as needed by the Project Implementing Unit (PIU). This will include financing to (i) hire specialized staff or consultants for project implementation; (ii) carry out the project’s monitoring and evaluation activities; (iii) carry out project reporting and audits; (iv) conduct capacity building activities linked to project implementations in areas such as procurement, safeguards, monitoring and evaluation, communication, citizen engagement, technical and financial management; and (v) cover operating costs.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

¹² On a case by case basis, the subprojects could support the rehabilitation of facades or public buildings and the rehabilitation or expansion of basic infrastructure.

¹³ This corresponds to the waterfront section that goes along the *Boulevard du Cap-Haitien* – referred to as the *Boulevard du Picolet*.

¹⁴ The existing SOS road located south of the International Airport, connects National Road 1 (RN1) and RN3 but does not have the necessary conditions to ensure a fluid and safe traffic flow. It also suffers from recurrent flooding. The rehabilitated road will serve the purposes of bypass road diverting traffic from the city center.



Summary of Assessment of Environmental and Social Risks and Impacts

15. This project could potentially have a transformational impact on Cap Haitien, improving resilience, livability and influencing the city's development trajectory for decades to come. However, there are a number of potential risks to achieving this impact. The Environmental and Social risk rating of the project is 'Substantial' due to the following risks and potential impacts: (i) Risks linked to climate and disasters, in general, and urban flood risk in particular; (ii) Waste management as a cross-cutting risk for all project components; (iii) Community health and safety risks, particularly for traffic management and road safety; (iv) Potential negative impacts due to land acquisition, physical and economic resettlement, especially potential adverse impacts on economic activities given the high level of street vendors around the city and high level of informal settlements; (v) Social exclusion risks especially for vulnerable stakeholders, including (a) residents with disabilities and elderly who may not be accessing the project benefits, (b) women or local youth not fully benefiting from available job opportunities created by project, or (c) community/day/rotating workers who may not have full access to occupational health and safety provisions, (vi) Overall operational risk given the dynamic security situation in Haiti, including in Cap Haitien, which may hamper effective implementation and challenge the capacity of the PIU to prepare and implement the project according to the Environmental and Social Framework (ESF).

16. The mitigation measures for above-mentioned risks are set out in the Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Environment and Social Commitment Plan (ESCP), and Labor Management Procedures (LMP). ESIA and LMP will be finalized by the Board date, whereas the rest of the mentioned documents with advanced drafts will be finalized and disclosed by Appraisal. The detailed description of risks and a summary of proposed measures are included in the Environmental and Social Review Summary (ESRS).

E. Implementation

Institutional and Implementation Arrangements

17. The key project partners of the project are the Ministry of Public Works, Transport and Communications (MTPTC) and the municipality of Cap-Haitien. MTPTC, will be responsible for overall project oversight. The *Unité Centrale d'Execution (UCE)* within MTPTC will be responsible for project implementation using the institutional framework, procurement, financial management and disbursement arrangements in place under other Bank-financed projects implemented by the MTPTC¹⁵. The *UCE/MTPTC* will be directly in charge of the implementation of large urban infrastructure investments under Component 1. The Project will also make use of Delegated Implementing Agencies to support the implementation of certain project activities.

18. The municipality of Cap-Haitien, as the main beneficiary of project activities has been closely involved in project preparation. It will continue to be consulted through-out the conceptualization and implementation of project activities and will play a key coordinating role in the development of the UMIs (Component 2).

CONTACT POINT

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¹⁵ Municipal Development and Urban Resilience Project (MDUR), Disaster Risk Management and Reconstruction Project (PRGRD), Center and Artibonite Regional Development Project (BCA), and the Rural Accessibility and Resilience Project (PARR).



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APPROVAL

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