



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 30-May-2019 | Report No: PIDC26937

**BASIC INFORMATION****A. Basic Project Data**

Country Haiti	Project ID P170907	Parent Project ID (if any)	Project Name Caribbean Regional Air Transport Connectivity Project - Haiti (P170907)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Nov 19, 2019	Estimated Board Date Jan 15, 2020	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) AAN,OFNAC	Implementing Agency UCE of MTPTC	

**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to improve Haiti's air transport safety in compliance with international and regional standards, increase air transport efficiency, and enhance resilience of airport infrastructure to natural disasters.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	30.00
<b>Total Financing</b>	30.00
<b>of which IBRD/IDA</b>	30.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	30.00
IDA Grant	30.00



Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

**Haiti is the third largest Caribbean nation by area and population (11 million in 2017) and shares the island of Hispaniola with the Dominican Republic.** Haiti benefits from proximity and access to major markets with favorable trade agreements, a young labor force, a dynamic diaspora, and substantial geographic, historical, and cultural assets. **The country possesses untapped markets and potential for the private sector to explore, including agribusiness, light manufacturing, and tourism.** However, Haiti is also the poorest country in the Western hemisphere, with a GDP per capita of US\$739.60 in 2016, and a Human Development Index ranking 163 out of 188 countries.

**Haiti is also one of the countries with the highest exposure to multiple natural hazards in the World, and climate change exacerbates these risks.** Ninety-six percent of the Haitian population live in areas considered at risk. The most significant natural hazards are seismic (earthquakes and landslides) and hydro-meteorological (hurricanes and flooding). The combined effects of exposure to natural hazards, vulnerability of infrastructure, high levels of environmental degradation, institutional fragility, and the lack of adequate investment in resilience have often resulted in catastrophic impacts of natural hazards. Between 1971 and 2016, Haiti's economy has been subject to annual natural disasters with adverse effects on growth.<sup>1</sup>

### Sectoral and Institutional Context

**Just as many Caribbean countries, Haiti is highly dependent on air transport.** Tourism is small but growing and already accounted for 4.2% of GDP in 2015.<sup>2</sup> Connectivity through air transport is critical to Haiti's economy given it only shares one land border with another country, the Dominican Republic. Significant investments have been made within the past decade in the two international airports, Port-au-Prince (PAP) and Cap-Haitien (CAP). However, airport infrastructure remains relatively limited and highly vulnerable to natural disasters and climate change. This is resulting in lack of efficiency in the air transport sector, and creating substantial safety, operational and logistical challenges. This has been particularly apparent in the immediate aftermath of natural disasters (e.g., the 2010 earthquake) when airport infrastructure was insufficient to accommodate surges in air traffic associated with humanitarian aid flights and other disaster relief air traffic activity.

**In 2011, air transport accounted for 73% of Haiti's international arrivals and departures with the remaining 27% from its land border with the Dominican Republic.** Haiti's main airport, Toussaint Louverture International Airport (PAP), is located in Port-au-Prince, and accounted for 1.1 million international passengers in 2011. In 2014, the airport handled 96% of international air passenger traffic. Technical regulation and oversight of the sector, as well as the operation of air traffic control, are under the responsibility of Haiti's civil aviation authority, the Office National de l'Aviation Civile (OFNAC) and the airports infrastructure are owned and operated by the government through the Autorite Aeroportuaire Nationale (AAN).

**Air transport in Haiti is characterized by safety concerns, and operational inefficiencies.** In 2014, the cost of air travel

<sup>1</sup> In 2016, Hurricane Matthew hit the southern peninsula causing damages and losses equivalent to 32 percent of GDP.

<sup>2</sup> Evaluation des besoins post-cyclone Mathieu, Secteur Tourisme, Ministère du Tourisme, Novembre 2016



to and from Haiti was estimated to be significantly higher than that of neighboring countries. Also, the country has been red-flagged under ICAO's Universal Safety Oversight Audit Programme in 2012, raising significant concerns about Haiti's safety oversight. Further, the lack of a parallel taxiway and well-placed runway exits at PAP results in significant operational challenges and inefficiencies such as greater taxiing distances and increased runway occupancy times (ROT). This has exacerbated the financial viability challenge for Haiti-based airlines and has also been particularly problematic during periods of air traffic demand surges associated with post-disaster humanitarian aid flights.

#### Relationship to Country Partnership Framework

**The proposed project is aligned with the Country Partnership Framework (CPF) of Haiti for the period FY16-19.** It supports improvements in Area of Focus 1 (Inclusive Growth), Area of Focus 3 (Resilience), and the Cross-cutting theme (Governance) of the CPF and, more specifically, contributes to the achievement of the following objectives: (i) Objective 1 (Enhance Income Opportunities), through improvements in air transport connectivity and resulting competitiveness, (ii) Objective 9 (Improve Disaster Prevention and Strengthen Climate Resilience) by improving the resilience of key airport infrastructure and systems to natural hazards, and (iii) Outcome 11 (Improve Capacity for Sustainable Basic Services Delivery) by strengthening institutions and the GoH's capacity to manage the air transport sector.

### C. Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve Haiti's air transport safety in compliance with international and regional standards, increase air transport efficiency, and enhance resilience of airport infrastructure to natural disasters.

#### Key Results (From PCN)

- a) Number of international and regional air transport safety standards complied with
- b) Flight arrival delays at PAP (minutes)
- c) Departure and arrival taxiing time (minutes)
- d) Departure queuing time (minutes)
- e) Airport with improved drainage (yes/no)

### D. Concept Description

The proposed Project would comprise four components: Component 1 – Improvement of aircraft operations safety at PAP and CAP; Component 2 – Elimination of key airfield infrastructure deficiencies at PAP; Component 3 – Contingent Emergency Response; and Component 4 – Project Management and Implementation Support & Technical Assistance. The Project cost is estimated at US\$30 to US\$45 million. Activities suggested to be financed under the proposed project prioritizes: (i) the most critical observed safety, efficiency, and resilience infrastructure deficiencies at the two international airports with a particular focus on the airfield and aircraft operations, and (ii) management and operations capacities of OFNAC and AAN.



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

#### Summary of Screening of Environmental and Social Risks and Impacts

At this stage, the screening of Environmental and Social Risks and Impacts identified risks related to the management of labor and labor influx, risks to the surrounding communities due to traffic and other civil-works related impacts, risks related to the management of waste and spoil related to civil works, and limited biodiversity risks. Some legacy issues may be related to prior land acquisition, which will be clarified during project preparation.

Risks and impacts will be managed and mitigated through instruments prepared by the Client, including ESMPs, ESCP, SEP and LMP to manage labor-related risks and efficiently engage with stakeholders.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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**APPROVAL**

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**Note to Task Teams:** End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*