



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 10-May-2019 | Report No: PIDC26845



BASIC INFORMATION

A. Basic Project Data

Country Haiti	Project ID P168951	Parent Project ID (if any)	Project Name Cap Haitien Urban Development Project (P168951)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Nov 13, 2019	Estimated Board Date Jan 15, 2020	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
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

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	45.00
Total Financing	45.00
of which IBRD/IDA	45.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	45.00
IDA Grant	45.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

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) and has an illustrious early history, as the first independent nation in the region, Haiti 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.

Sectoral and Institutional Context

3. **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 Review³ suggest that 64 percent of the population lives in urban areas, making it the 4th most urbanized country in Latin America and the Caribbean (LAC). 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 improved 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 exposed to flood hazard.

4. **Cap-Haïtien - the country's second largest city - has the potential to become a growth pole in the North but faces drastic urban development challenges which hinder its economic potential and reduce the quality of life of its citizens.** 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 assets⁴. However, access to basic services (e.g. solid waste collection, water supply and sanitation). Most of the population lives in high-density⁵, high-risk areas⁶, with poor road infrastructure and few open spaces⁷. The city is also quickly urbanizing in high-risk areas, thus increasing the hazard exposure.

5. **A coordinated territorial effort is underway to make Cap-Haïtien a better place to live, visit and do business.** Taking into consideration the previously mentioned challenges and recognizing the strategic importance of Cap-Haïtien, the city

¹ CPF 2015-2019

² Extreme poverty declined from 31 percent in 2000

³ This section draws heavily on the Urbanization Review done by Lozano-Gracia and Garcia Lozano (2017), Haitian Cities: action for today with an eye on tomorrow

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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%)



has benefited from the development of several planning and visioning instruments⁸ and from a large and diverse set of investments by the World Bank, the Government and other donors⁹. 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).

6. The proposed project fits within this coordinated territorial effort, 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.

Relationship to CPF

7. The proposed project is aligned with the World Bank's Country Partnership Framework (CPF) with Haiti for the FY16-21 period, as it places emphasis on (i) strengthening the social contract, and (ii) building resilience in urban areas; and the adjustments made as part of the Performance and Learning Review of the FY16-21 CPF which argue for the need to build on the dynamism witnesses in Haiti's secondary cities by promoting an integrated territorial approach. The proposed project is aligned with Haiti's Strategic Development Plan (2012) which highlights the need to invest in secondary cities to achieve a more balanced economic growth and other regional planning documents including the Nord/Nord-Est Development Plan (CIAT, 2015) and the Cap-Haïtien-Ouanaminthe Development Corridor Regional Comprehensive Plan (2012).

C. Proposed Development Objective(s)

8. 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 (From PCN)

9. The proposed project is expected to have the following key results on the population of Cap-Haïtien: (i) improvement of living conditions and access to enhanced public space, (ii) reduced travel time and increased road safety through improved roads and associated infrastructure (e.g. sidewalks, streetlights) and, (iii) increased resilience of public infrastructure. To assess achievement of the Project Development Objective, the following indicators are proposed;

- a) Total number of people provided with improved urban living conditions (disaggregated by gender)
- b) Percentage increase in the number of people accessing enhanced public spaces (disaggregated by gender)
- c) Time saved to go from the National Road 1 to the National Road 3 (percentage)
- d) Percentage of urban infrastructure and public spaces financed that incorporate resilience elements in their design or operation (percentage)

D. Concept Description

10. The proposed Project would comprise four components: Component 1– Urban Infrastructure Investments; Component 2 – Strengthening Institutional Capacity; Component 3 – Contingent Emergency Response; and Component 4 – Project Management and Implementation Support. The Project cost is estimated at US\$45 million.

11. Component 1: Urban Infrastructure Investments (US\$37 million). This component would 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. In both cases, investments would support: the upgrading of open and green areas, such as parks, playgrounds, squares and waterfronts; and the rehabilitation of roads and associated infrastructure, such as drainage, sidewalks, pedestrian walkways, street lightning,

⁸ 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).

⁹ Efforts from other donors, such as the French Development Agency (AFD), the Spanish Cooperation and the Interamerican Development Bank (IDB) focus on improving solid waste collection and disposal, and water supply and sanitation.



and bike paths¹⁰. Two potential large urban infrastructure investments were identified for project support: (i) the renewal Cap-Haïtien water-front¹¹, and the (ii) rehabilitation of the SOS road¹².

12. **Component 2: Strengthening Institutional Capacity (US\$ 3 million).** This component will support the implementation of Component 1 activities by strengthening the capacity of the municipality to maintain urban infrastructure investments and implement small urban management initiatives aimed at making the city more livable and resilient. It will also complement technical assistance under the MDUR and the PAST projects.

13. **Component 3: Contingent Emergency Response (CERC) (initial allocation: US\$0 million).** This component would finance the implementation of emergency works, rehabilitation and associated assessments, at the Government’s request in the event of a disaster. This component would not have any initial funding allocation, but in the event of an emergency, uncommitted funds could 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 (US\$ 5 million).** This component would finance costs related to project management and implementation support as needed by the Project Implementing Unit (PIU) and Delegated Implementing Agencies (*Maître d’Ouvrage Délégué – MDODs*). This would include financing to (i) hire specialized staff; (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 implementation; and (v) cover additional operating costs.

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

The expected positive impacts include improved urban infrastructure, more inclusive use of public spaces for community-well being, strengthened institutional capacity to support a more livable and resilient urban growth in the Cap-Haitien city-region, enhanced inter-urban connectivity by upgrading an existing by-pass road to the south of the city. Risks and potential adverse impacts include the following: (i) Risks linked to climate and disasters, in general, and urban flood risk in particular will need to be fully assessed and integrated into the project, considering the likely nature-based protection services provided by natural floodplains and wetlands adjacent to the city, notably along the perimeter of the SOS Road. (ii) Waste management is a particular challenge in Cap-Haitien, and will be a cross-cutting risk for all Project components. The lack of services for safe collection, storage, and disposal of waste generated from Project activities will require targeted interventions to be set out in ESF instruments. (iii) Community health and safety risks also need to be thoroughly assessed, particularly for traffic management given low regulatory and enforcement capacity, including with regard to the use of dedicated traffic lanes, speeding, pedestrian safety and road safety in general. (iv) Potential negative impacts can occur 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) Potential legacy issues or reputational risk linked to a former government-led resettlement of 200 households from the waterfront space in 2014 elevates the social risk rating to substantial at this stage until further information becomes

¹⁰ 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.

¹¹ The Bord de Mer along the National Road 3 (RN3) acts as the city’s entrance and remains the only available open space of this size in the downtown area. A renewed waterfront has the potential to become a symbol for the inhabitants and visitors of Cap-Haitien. Buildings in the water-front were demolished by the Government in 2014. A due-diligence report is currently being made to clarify the reason that led to the clearance of the water-front and the process that was followed. It will serve as a social-screening tool to assess potential legacy issues and reputational risks and feasibility of Bank financing.

¹² 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.



available. vi) There are social exclusion risks, including the risk that residents with disabilities may not be fully accessing the project benefits, or the risk of local youth not fully benefiting from available job opportunities created by project, if targeted measures are not in place. (vii) There may be risks linked to community support of the interventions purposed, especially the waterfront rehabilitation, which may not be considered a priority by certain segments of the population. (viii) Risk of inadequate time and capacity of the PIU to prepare and implement the project according to the ESF, coupled with the fragile status of the governance structures and security challenges that, may result in long delays in project implementation. The risk mitigation measures and specific actions will be set out in the Environmental and Social Commitment Plan (ESCP) and the Stakeholder Engagement Plan (SEP), which will be ready by appraisal (expected December 2019).

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

CONTACT POINT

World Bank

Paula Restrepo Cadavid, Claudia Ruth Soto Orozco
Senior Economist

Borrower/Client/Recipient

Ministry of Finance
Ronald Decembre
Minister of Finance
fgerald07@yahoo.fr

Implementing Agencies

Ministry of Public Works, Transport and Communications
Alfred Piard
Director of Public Works
alfred.piard@mtptc.gouv.ht

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>



APPROVAL

Task Team Leader(s):

Paula Restrepo Cadavid, Claudia Ruth Soto Orozco

Approved By

Environmental and Social Standards
Advisor:

Practice Manager/Manager:

Country Director: