



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 25-Apr-2023 | Report No: PIDA36113



**BASIC INFORMATION**

**A. Basic Project Data**

Country Haiti	Project ID P181119	Project Name Additional Financing - Haiti Caribbean Air Transport Connectivity Project	Parent Project ID (if any) P170907
Parent Project Name Caribbean Regional Air Transport Connectivity Project - Haiti	Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 26-Apr-2023	Estimated Board Date 24-May-2023
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Republic of Haiti	Implementing Agency Central Execution Unit of the Ministry of Public Works (UCE)

Proposed Development Objective(s) Parent

The objectives of the Project (PDO) are to: (i) improve operational safety and navigation efficiency of air transport in the Recipient’s territory; and (ii) increase the climate and disaster resilience of associated infrastructure at the Recipient’s international airports.

Components

- Component 1– PAP and CAP operational safety and navigation efficiency investments
- Component 2–PAP and CAP airfield drainage system improvements
- Component 3 – Institutional strengthening & Project Management
- Component 4 – Contingent Emergency Response

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

**SUMMARY**

<b>Total Project Cost</b>	12.00
<b>Total Financing</b>	12.00
<b>of which IBRD/IDA</b>	12.00
<b>Financing Gap</b>	0.00

**DETAILS**



**World Bank Group Financing**

International Development Association (IDA)	12.00
of which IDA Recommitted	4.00
IDA Grant	12.00

Environmental and Social Risk Classification  
Moderate

**B. Introduction and context**

- This Project Paper seeks the approval of the Executive Directors for an additional grant in the amount of US\$12 million for the Haiti Caribbean Air Transport Connectivity Project (CATCOP; the parent project) (P170907).** The request for US\$12 million of additional financing (AF) due to a cost overrun was submitted by the Government of Haiti on March 30, 2023.
- The CATCOP was approved on May 28, 2020, received a grant in the amount of SDR 61.2 million (IDA grant IDA-D6290, US\$84 million), and was declared effective on August 27, 2020.** The current closing date for the Project is June 30, 2026. The Project Development Objective (PDO) is to (i) improve operational safety and navigational efficiency of air transport in Haiti’s territory, and (ii) increase the climate and disaster resilience of associated infrastructure at Haiti’s international airports. The Project has four components: Component 1—Operational safety and navigational efficiency of Toussaint Louverture International Airport of Port au Prince (PAP) and Cap-Haïtien International Airport (CAP) (investment of US\$58.00 million); Component 2—Drainage system improvements for PAP and CAP airfields (investment of US\$14 million); Component 3—Institutional strengthening and project management (investment of US\$12 million); and Component 4—Contingent Emergency Response (CERC) (investment of US\$0 million). The Project is implemented by the Ministry of Public Works, Ministère des travaux Publics, Transports et Communication (MTPTC), through its Project implementation Unit (PIU), the Central Execution Unit (UCE-MTPTC, Unité Centrale d’Exécution), and its technical directorates (National Office of Civil Aviation, Office National de l’Aviation Civile [OFNAC], and the National Airport Authority (Autorité Aéroportuaire Nationale [AAN])).
- The proposed AF would finance the increased cost associated with rehabilitation (Component 1) and drainage works (Component 2) on the runway at CAP.** The overrun cost has been identified during the prefeasibility study and is associated with (i) the runway’s deteriorated condition; (ii) poor drainage capacity; and (iii) high inflation, heightened security challenges, and deteriorating market conditions for procurement of civil works.
- The proposed AF is processed under paragraph 12 of Section III of the Bank Policy “Investment Project Financing,” which is related to Projects in Situations of Urgent Need of Assistance or Capacity Constraints.** Chronic fragility has severely constrained the Haitian government’s capacity, and there is an



urgent need to make the air transport infrastructure— the key transport mode for national, regional, and international connectivity – more resilient so as to prepare for recurrent natural disasters and increasing climate risks. The same implementation arrangements as for the parent project approved by the Board of Executive Directors will apply. No additional or new outputs will be added to the Project.

#### Country context

- 5. Haiti remains one of the world’s poorest and most fragile countries, and it is grappling with frequent natural disasters and recurrent episodes of institutional and political instability, civil unrest, and gang-related violence.** Haiti has a per capita gross domestic product of US\$1,272 and ranked 170 out of 189 countries on the Human Development Index in 2021. Between 1980 and 2022, Haiti was hit by more than 118 disasters in total, of which 106 were climate-related disasters (floods, storms, draughts, or landslides). An estimated 235,000 people have lost their lives due to these disasters, which have affected the lives of almost 19 million people cumulatively and have also caused catastrophic material damage<sup>1</sup>. The 2010 earthquake, Hurricane Matthew in 2016, and the August 2021 earthquake are extreme cases that have recently devastated the country. The major ongoing sociopolitical crisis, which included the assassination of Haiti’s president, Jovenel Moïse, on July 7, 2021, began in July 2018 with massive and violent demonstrations against fuel shortages and increased fuel prices, allegations of corruption, and political instability. Incidences of gang violence and kidnapping increased dramatically in 2020 and further increased in 2022 and 2023. Hundreds lost their lives to gang warfare, which displaced thousands.
- 6. Together with the country’s macroeconomic situation, frequent natural disasters, chronic civil/political unrest, and gang violence have resulted in economic contraction and public investment has been severely constrained.** Haiti is the only country in the region that experienced negative economic growth in 2021 as well as 2022. It has the lowest growth projections for 2023 and 2024, at 0.3 and 1.2 percent, respectively<sup>2</sup>. The macroeconomic situation further challenged Haiti’s situation with consumer price inflation of 22 percent in 2020 and 16 percent in 2021, and food price tripled between 2020 and 2023<sup>3</sup>. Further, natural disasters are undermining economic gains, with damages and losses related to hydro-meteorological and geological events alone amounting, on average, to the equivalent of almost 2 percent of annual gross domestic product. Further, climate change is expected to only increase the frequency, intensity, and impacts of extreme weather events. This is expected to increase future loss and damage risk, and compound the need for resilience-related investments. Climate change is increasing the intensity and frequency of hurricanes. By 2050, hurricane winds are likely to be 5–10 percent stronger and precipitation is likely to increase 25 percent, leading to higher and more violent storm surges.<sup>4</sup>

#### Sectoral and institutional context

- 7. Haiti continues to rely on air transport both for national and international connectivity.** Haiti is served by two international airports (the capital city’s Toussaint Louverture International Airport [PAP] and Cap-

<sup>1</sup> EM-DAT, CRED/UCLouvain, Brussels, Belgium. Version: April 2023.

<sup>2</sup> <https://www.imf.org/en/Blogs/Articles/2023/02/01/latin-america-faces-slown-growth-and-high-inflation-amid-social-tensions>.

<sup>3</sup> Haiti, Market Average, Estimated monthly food price index; <https://microdata.worldbank.org/index.php/catalog/4494>.

<sup>4</sup> <https://climateknowledgeportal.worldbank.org/country/haiti/vulnerability>.



Haitien International Airport [CAP] on Haiti's north coast) and 11 regional airports. Connectivity by air transport continues to be critical to Haiti's economy and its ability to respond to emergencies given its insularity, weak ground transportation infrastructure, and periodic gang control of key roadways. While PAP and CAP have continued to operate even during the worst periods of civil unrest, gang violence, and natural disasters, providing essential connectivity to support emergency and other humanitarian activities, their continued ability to do so is increasingly at risk due to unmet resilience investment needs.

8. **Both international airports, PAP and CAP, are highly exposed to potential impacts from natural disasters and climate change.** CAP is located next to the sea at 3 meters above mean sea level in a city with a history of devastating tsunamis. Much of the airport is at a lower elevation than the surrounding communities, which creates a "bowl" effect and exacerbates drainage challenges and flooding risks. Further, drainage deficiencies at the airport and in the surrounding communities are further compounded by solid waste residue from surrounding communities frequently clogging airport drainage systems. While PAP is at a higher elevation (about 25–40 meters above mean sea level) and located much farther from the sea (3.5 kilometers for PAP against 500 meters for CAP, as measured from the nearest runway end), it also suffers from major drainage capacity deficiencies and related flooding risks.

### C. Proposed development objective(s)

#### Original PDO

The objectives of the Project (PDO) are to (i) improve operational safety and navigational efficiency of air transport in the Recipient's territory, and (ii) increase the climate and disaster resilience of associated infrastructure at the Recipient's international airports.

#### Current PDO

The objectives of the Project (PDO) are to (i) improve operational safety and navigational efficiency of air transport in the Recipient's territory, and (ii) increase the climate and disaster resilience of associated infrastructure at the Recipient's international airports.

#### Key results

The Project's progress toward its PDO will be measured by the following PDO indicators:

#### **PDO 1: Improve operational safety and navigational efficiency of air transport:**

- (i) Targeted upgrade of air navigation systems achieved;
- (ii) PAP and CAP runways in compliance with ICAO standards/requirements; and
- (iii) Average Runway Occupancy Time of airplanes at PAP.

#### **PDO 2: Increase the climate/disaster resilience of related infrastructure at Haiti's international airports:**

- (iv) Average number of days per year that the discharge exceeds the capacity of the airports' drainage system.



D. Project description

- 9. **The proposed AF will address significant technical rehabilitation and drainage needs identified for the CAP runway that were not anticipated during appraisal of the parent project.** The UCE and the Engineering Firm in charge of the design and supervision of the runway civil works undertook a visit to the CAP airfield from March 1 to 3, 2023. The purpose of the visit was to make a preliminary assessment of the runway, the airport’s drainage, the existing control tower, and the proposed location of the new tower. Among others, the visit noted that (i) the runway was degrading fast even in areas that were already treated in 2016; (ii) the runway had longitudinal and transverse cracks, indicating serious issues in the sublayer that should be addressed thoroughly; (iii) the 1,100 meter of pavement that was initially assumed would not require major rehabilitation also requires major intervention; and (iv) if accounting for climate change projections, the entire runway will need to be treated with regard to to the level of surface water drainage from rivers flowing into airport grounds, which are especially deficient. Given the extent of the deterioration observed and the need to intervene along the entire length of the runway, as well as the extent of drainage work required, the initial civil works needs are higher than originally planned to ensure that the interventions are completed, the investments are viable, and the PDOs are achieved successfully.
- 10. **This AF of US\$12 million will cover the estimated cost overrun associated with increased runway rehabilitation (Component 1) and drainage improvement (Component 2) needs at CAP to achieve the original project objectives.** The additional required interventions for the runway rehabilitation and drainage improvement works due to recent design changes that were not anticipated during appraisal are estimated to cost approximately US\$ 10 million. Considering the current level of inflation, it will also be necessary to consider a provisional additional amount of at least US\$ 2 million compared with previous evaluations.<sup>5</sup> Overall, an additional US\$ 12 million will be required to ensure full and viable execution of work at CAP and that the PDOs are achieved. The proposed AF does not result in any changes to the nature of activities or to the implementation arrangements.

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

Summary of Assessment of Environmental and Social Risks and Impacts

<sup>5</sup> UCE has experienced a cost increase in civil works contract that ranges between 15 and 22 percent of the original estimations during 2020 – including civil works in other World Bank Group (WBG) projects in Haiti.



- 11. Environmental risk is assessed as Moderate.** This remains unchanged from the parent project. Project activities are expected to be site specific (occurring uniquely within the current demarcations of both airports), limited in number, and reversible in nature, and they can be mitigated with measures that are readily identifiable and technically and economically feasible (subject to the AF provided). No impact on areas outside the airport perimeter is foreseen, and the majority of environmental and social risks and impacts are expected to be managed within these confines, despite widespread insecurity in the territory beyond the confines of the airport's perimeters. Environmental and Social Management Plans for each site will be prepared once technical designs to fully assess all potential risks and impacts and set out appropriate mitigation measures have been prepared. Given the dynamic situation on the ground in Haiti, and the potential additional risks that may become apparent once technical designs are finalized, this risk assessment may be increased during Project implementation in line with the principles of risk-based and adaptive management, as additional relevant information becomes available.
- 12. UCE-MTPTC has continually demonstrated strong capacity to identify, assess, manage, and report on the environmental and social risks associated with project-financed activities, in line with the requirement of the Environmental and Social Framework.** This is the case for closed and active Bank-financed projects despite very challenging circumstances in monitoring and reporting due to the protracted sociopolitical crisis. Environmental and social specialists within UCE-MTPTC have received extensive capacity building training, and their expertise and experience are frequently used to train environmental and social staff in other PIUs in Bank-financed operations in Haiti. Training and capacity building efforts will continue, as needed, during the implementation of AF activities. Given the significant technical expertise associated with the Project-financed interventions and to complement existing capacity, UCE-MTPTC will work closely with technical, and environmental and social focal points from the international MDOD to fully assess and manage potential environmental and social risks arising from the planned interventions.

## E. Implementation

### Institutional and implementation arrangements

- 13. The institutional and implementation arrangements remain the same as for the parent project.** The proposed AF would be implemented under the same arrangement as for the parent project (P170907). The AF would be implemented by, and under the fiduciary responsibility of, the MTPTC through its PIU, the Central Execution Unit (UCE-MTPTC), and its technical directorates (OFNAC and AAN). UCE is familiar with the World Bank's fiduciary, and environmental and social standards, policies, and procedures. It has implemented and is currently implementing several World Bank-financed projects and has the capacity to manage additional funds. A Delegated Implementing Agencies model (Maîtrise d'Ouvrage Déléguée [MDOD/AMO]) is complementing the PIU's capacity with the specialized technical skills necessary to help procure and control the quality of the provision of works, goods, and studies to be financed under this AF.



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**APPROVAL**

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