



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 20-Jun-2022 | Report No: PIDC33095

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

Country Haiti	Project ID P178188	Parent Project ID (if any)	Project Name Sustainable and Resilient Rural Water and Sanitation Sector Support Project (P178188)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Dec 01, 2022	Estimated Board Date Mar 22, 2023	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) Ministre de l'Economie et des Finances	Implementing Agency DINEPA	

Proposed Development Objective(s)

Increase sector institutions capacity for, and access to safely managed water and sanitation services in project areas.

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

Total Project Cost	80.00
Total Financing	80.00
of which IBRD/IDA	80.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	80.00
IDA Grant	80.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track I-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. Haiti is one of the poorest and most fragile countries in the Western Hemisphere.** In 2021, its gross domestic product (GDP) per capita was US\$1,272 and it ranked 170th out of 189 countries in the Human Development Index. About 58 percent of its 10.4 million people live below the poverty line, with 24 percent living in extreme poverty. Haiti's infant mortality rate of 51 deaths per 1,000 is well above the Latin American regional average. With a Gini coefficient of 0.61, income inequality is the highest in the region, ranking Haiti among the most unequal countries in the world. 75% of the rural population in Haiti are asset poor² and face very unequal access to basic services³.
- 2. Historically, fragility in Haiti has been driven by political violence and instability.** Over the past decades, Haiti has demonstrated a very high degree of vulnerability to a significant number of economic and social crises, as well as to numerous exogenous shocks, such as adverse natural events and commodity prices, both of which have contributed to increasing inequalities and territorial disparities. Limited institutional capacity and lack of trust in public institutions at different levels have over time contributed to hindering citizens' access to basic services and fueling social unrest.
- 3. Poverty reduction and economic growth have been severely hampered by a major sociopolitical crisis, including the assassination of Haiti's president, Jovenel Moïse, on July 7, 2021.** The crisis started in July 2018 with massive and violent demonstrations against the shortage and increased cost of fuel, high cost of living, corruption allegations, and political instability. The assassination of President Moïse, in the summer of 2021, plunged the country further into uncertainty. As a result of the sociopolitical crisis, aggravated by the effects of the COVID-19 pandemic, Haiti's economy contracted by 1.7 percent in 2019 and by another 3.8 percent in 2020.
- 4. Climate change impacts are also catastrophic in Haiti due to the combined effects of high natural hazard risks, institutional fragility, and inadequate resources invested in resilience.** Ninety-six percent of the Haitian population lives in areas considered at risk and even within this category, disasters tend to affect disproportionately the poor and marginal populations settling in flood zones, coastal areas, and living in vulnerable self-built dwellings. The vulnerabilities are amplified by environmental degradation, uncontrolled and unregulated urbanization, weak regulatory enforcement capacity and high physical vulnerability of infrastructure, housing, and livelihood activities. According to the German Watch Global Climate Risk Index 2021, Haiti was globally the third most affected country by

¹ 2020 Estimates developed by the UN Inter-agency Group for Child Mortality Estimation (UNICEF, WHO, World Bank, UN DESA Population Division)

² In 2018, about half the households in urban areas belonged to the richest asset quintile against only one tenth of households in rural areas (ENUSAN 2019). Non-monetary poverty is also much higher in rural areas. In 2016, the global Multidimensional Poverty Index (MPI) rates were 58 % in rural areas against 16 % in urban areas.

³ In 2016, the fraction of live births taking place in a health facility is less than 25 % in the lowest two asset quintiles against 79 % in the highest asset quintile, while the population living in a household with electricity is less than 5 % in the lowest two asset quintiles against 94 % in the highest quintile.



climate events between 2000 and 2019.⁴ The most extreme natural hazards are climate induced (hurricanes, flooding, and tropical cyclones) and seismic⁵. In 2016, Hurricane Matthew affected over two million people and resulted in over 500 deaths and displaced 175,000 people, with damages and losses equivalent to 32% of GDP.⁶ The recent earthquake that struck by a magnitude 7.2 earthquake on August 14, 2021, caused damages estimated at US\$1.11 billion (equivalent to 7.8 percent of Haiti's 2019 GDP)⁷. It also left people with injuries, often permanent. These climate-induced risks are projected to increase⁸.

Sectoral and Institutional Context

5. Access to safely managed drinking water supply in rural areas is low and declining. In 2020 only 43% of the rural population in Haiti had access to at least basic drinking water supply service, compared to 48% in 2015 and 50% in 1990⁹. Only 28% of people in the poorest quintile have access to basic water supply service compared to 95% in the richest quintile. Haiti's very low rural access, compared to a regional average of 90% in Latin America and the Caribbean region in 2022, is worrisome. The rural population is served through about 12,000 improved water sources and 1,065 piped network systems.

6. Access to sanitation and hygiene is also highly lagging and unequal. Only 10% of the poorest have access to basic sanitation against 68% for the richest quintile¹⁰. In 2020, only 25% of the rural population used improved sanitation facilities that were not shared with other households, compared to 73% for the Latin America and Caribbean region. The remaining population used shared sanitation facilities, on-site unimproved sanitation systems such as pit latrines without a slab or platform or practiced open defecation. 31% of the rural population practice open defecation.

7. The management of the RWS systems in rural areas needs to be improved. Out of the 1,065 existing rural piped water network systems, recorded in 2022 in the SIEPA database (Integrated Drinking Water and Sanitation Information System) of ONEPA (National Observatory for Drinking Water and Sanitation), about a third of these systems are not functional. There is ambiguity about rules and responsibilities of the service provider, regulator, and customers. There are no citizen participation or grievance mechanisms. The result is a vicious cycle of an inability to collect adequate user fees for maintenance and repair, an unreliable water supply, and missing accountability and sanctions adding to customer reluctance to pay for the service.

⁴ Germanwatch Global Climate Risk Index. (2021). NatCatSERVICE de Munich Re.

⁵ Haiti had suffered heavy damage from Hurricanes Allen (1980), Gilbert (1988), Gordon (1994), Georges (1998), Jeanne (2004), Hanna and Ike (2008), Matthew (2016), and more recently Tropical Storm Grace (2021).

⁶ PDNA 2016.

⁷ World Bank Group, Global Rapid Damage Estimation (GRADE) Report (Washington, DC: World Bank, 2021).

⁸ Haiti is projected to experience one of the largest increases in extreme heat in LAC by 2050, with a heat index surpassing 35°C for a time period of 44 days to 85 days. Sea level rise projections indicate that Haiti's shorelines will retreat between 13–16 meters by 2050, and 29–46 meters by the end of the century, depending on the emissions pathway (RCP4.5 or 8.5) (Giardino et al., (2021)).

⁹ WHO/UNICEF Joint Monitoring Program

¹⁰ WHO/Unicef JMP for Water, Sanitation and Hygiene-2020



Relationship to CPF

8. The proposed Sustainable and Resilient Rural Water and Sanitation Sector Support Project is aligned with the World Bank Group’s Country Partnership Strategy (CPS) for Haiti FY2016-2019 (Report No. 98132-HT) and the 2022 Strategy Country Diagnostic (SCD) in which identified priorities are: (1) restoring macro-economic stability and strengthening core governance systems; (2) preserving basic services and human capital; and (2) fostering economic recovery and better job opportunities. The proposed project will support priority area 2 “Restore and maintain basic services to preserve human capital” by improving access to drinking water, sanitation, gender-based violence prevention, improving inclusion of disabled persons and post-earthquake reconstruction in the southern region.

C. Proposed Development Objective(s)

Increase sector institutions capacity for, and access to safely managed water and sanitation services in project areas.

Key Results (From PCN)

9. Achievement of the PDO will be evaluated using the following key results indicators:

- Operationalization of the sector programmatic building blocks to accelerate sustainable and resilient water and sanitation service delivery¹¹.
- Piped water supply systems effectively functioning, managed, and financed under the Project (percentage)
- Beneficiary satisfaction with the quality of the water supply service¹² under the Project (percentage), with at least 50% females reporting satisfaction.
- People provided with improved access to safely managed drinking water services¹³ under the Project disaggregated by gender (number) under the Project, disaggregated by gender (number)
- People provided with improved access to safely managed sanitation services¹⁴ under the Project disaggregated by gender (number) under the Project, disaggregated by gender (number)

D. Concept Description

10. The proposed Sustainable and Resilient Rural Water and Sanitation Sector Support Project aims at increasing sector institutions' capacity for, and access to safely managed drinking water and sanitation services for the rural and small-town populations living in project areas. This will be achieved by: (i) improving the sustainability of the drinking water supply systems and sanitation facilities through the strengthening of the demand-driven approach, professionalization of the service providers, and development of appropriate monitoring and regulation mechanisms, (ii) increasing the resilience of the sector to climate change and other natural disaster risks by integrating adaptation and mitigation measures into sub-projects' cycle and the beneficiary community development projects (iii)

¹¹ Effective implementation of the Results based Program Budget, Demand driven approach for infrastructure development, tariffication allowing O&M cost recovery, Post construction support in place through the TEPACs and regular update of the national WSS database for investment decision making.

¹² Quality of service refers to the continuity of water supply, pressure, and quality of water provided.

¹³ Safely managed drinking water service is defined as one located on premises, available when needed, and free from contamination (SDG definition).

¹⁴ Safely managed sanitation facility is one where excreta is safely disposed of in situ or treated off-site (SDG definition).



constructing, rehabilitating and/or upgrading facilities allowing efficient technical and commercial operation and (iv) strengthening the sector institutions capacity at central, regional, and local levels to move from a project to a programmatic approach to accelerate sustainable and resilient water and sanitation service delivery.

11. Implementation of this Project will involve the following four components:

12. Component 1. The Demand-based, Sustainable and Resilient WSS subprojects Development component will support the development of inclusive, resilient, sustainable, and safely managed drinking water supply and safely managed sanitation services in selected communities, through demand-driven approach to ensure effective community and local authorities' participation; construction, extension, rehabilitation and upgrading of water supply network and sanitation infrastructure, and professionalization of the service providers to operate and maintain the facilities in a technically and financially sustainable way.

13. Component 2. The Country Wide Sustainable and Resilient WSS service Improvement Grant Facility component aims at providing post construction support to communities to restore the functioning and/or optimize the operation and/or expand the capacity of their existing piped water supply network and to implement small-scale water and food security and resilience to climate-change related risks CDD activities.

14. Component 3. The Project Management, Support to DINEPA Structure for Sustainability and Institutional Strengthening component aims at supporting the proposed project activities implementation and strengthening the capacity at national, regional, and departmental level to develop the building blocks to move from project to programmatic approach to accelerate investment and ensure the resilience and sustainability of the investment.

15. Component 4: Due to the high risk of a catastrophic event in Haiti, the proposed project includes a Contingent Emergency Response (CER) component to respond rapidly at the Government of Haiti's request in the event of an eligible emergency.

E. Summary of Assessment of Environmental and Social Risks and Impacts

16. Environmental risk is assessed as Substantial at this stage of project preparation. The activities financed under RWSSP are predominantly expected to be moderate in nature with small- to- medium scale civil works for construction and rehabilitation of water supply and sanitation systems. Risks and impacts arising from these activities are likely to be easily identifiable, temporary, reversible, and easily mitigated with known management techniques through careful and close supervision during project implementation. However, although associated risks are mostly moderate, there is contextual risk (noted above under Borrower's Institutional Capacity) that could result in planned works not receiving the appropriate screening and supervision during preparation and/or implementation. The persistent challenges within DINEPA PCMU in providing adequate resources to environmental and social oversight in integrating E&S staff in technical planning and in supporting them to undertake field missions in coordination with local DINEPA (OREPA) offices inhibits their ability to effectively manage potential risks and impacts that may arise. Given this context, and the resulting limited capacity and ability of PCMU staff to manage and monitor environmental risks and impacts in a manner consistent with the ESSs, environmental risk is currently assessed as Substantial. During preparation this will be assessed in discussions with the World Bank team and with the PCMU to ensure DINEPA's institutional and management structure prioritize E&S risks and impacts accordingly. Based on those discussions and any agreed outcomes or actions – to be set forth in the ESCP – the environmental risk assessment may be reduced to Moderate.



17. Social risk is classified as Substantial at this stage of Project preparation based on the nature of its activities. While the overall social benefits are expected to be positive, identified social risks and potential impacts include: (i) contextual social risks- political fragility, deteriorating security situation and travel restrictions constitute a significant risk in terms limiting the borrower’s capacity to deliver and supervise project activities, (ii) potential negative impacts due to land acquisition, physical and economic resettlement, as part of the construction, extension and rehabilitation of water supply networks, (iii) social exclusion risks especially for vulnerable stakeholders, including the risk that women, residents with disabilities, sanitation workers, or the elderly may not fully access the project benefits or that community/day/rotating workers, which is a common practice in Haiti, may not have full access to proper working conditions, occupational health and safety measures in work areas, if targeted measures are not in place, or may not receive formal work contracts. Sexual exploitation and abuse and sexual harassment risks are assessed as moderate. The activities and sub-activities under the respective components will be assessed in greater detail during Project preparation to verify the current environmental and social risk classification, which will be reviewed and revised as needed. Any necessary environmental and social actions to meet the ESSs will be outlined in the ESCP.

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

Summary of Screening of Environmental and Social Risks and Impacts

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APPROVAL

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