



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 20-Apr-2022 | Report No: PIDA33231



BASIC INFORMATION

A. Basic Project Data

Country Haiti	Project ID P177210	Project Name Resilient connectivity and Urban Transport Accessibility Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 20-Apr-2022	Estimated Board Date 26-May-2022	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) the Ministry of Finance	Implementing Agency Unite Centrale d'execution of Ministry of Transport, Public works and Communications	

Proposed Development Objective(s)

The Project Development Objective is to (i) enhance climate-resilient rural connectivity in the South Peninsula, (ii) improve climate-resilient urban accessibility in Cap-Haïtien and targeted urban areas, and (iii) enhance institutional capacity in the urban transport sector.

Components

- Component 1: Resilient Transport Connectivity in the southern Peninsula
- Component 2: Resilient Urban Transport Infrastructure Improvements
- Component 3: Promoting Low-carbon and Sustainable Urban Mobility
- Component 4: Contingent Emergency Component
- Component 5: Project Management

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	120.00
Total Financing	120.00
of which IBRD/IDA	120.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	120.00
IDA Grant	120.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Haiti is one of the world’s poorest and most fragile countries. 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. Poverty reduction and economic growth have been severely hampered by a major sociopolitical crisis, including the assassination of Haiti’s president, Jovenel Moise, on July 7, 2021. 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.
2. Haiti is also among those countries with the greatest exposure to multiple natural hazards globally, and climate change exacerbates some of these risks. The southern peninsula, the most vulnerable region to hurricanes and tropical storms in Haiti, was struck by a magnitude 7.2 earthquake on August 14, 2021, highlighting substantial shortfalls in Haiti’s infrastructure policies and its territorial organization with estimated economic damages reaching US\$1.11 billion (equivalent to 7.8 percent of Haiti’s 2019 GDP)¹ in the South, Nippes, and Grand’Anse departments.
3. Haiti is the third-most-urbanized country in Latin America and the Caribbean; 64 percent of the total population lives in urban areas.² Between 2000 and 2015, Haiti’s urban population grew 3.6 percentage points faster than that of the average Caribbean country. However potential benefits are overshadowed by immense challenges such as lack of basic services, congestion, pollution, and spatial fragmentation, all of which hold back sustainable development. Poor connectivity within Haitian cities hampers integrated labor markets and access to basic services and economic opportunities.

¹ Global Rapid Damage Estimation (GRADE) Report, August 27, 2021, World Bank Group.

² GFDRR, 2018, <https://www.gfdr.org/en/feature-story/five-reasons-why-haiti-should-invest-resilient-cities>.



Sectoral and Institutional Context

4. Urban transport in Haiti is a limiting factor for access to economic activities and economic growth. Congestion levels are severe mainly due to a combination of the poor conditions of road infrastructure, a lack of maintenance, and the suboptimal use of public street space. The framework for planning and managing urban transport remains fragmented across different ministries. Public transport relies on informal operators, with little regulation from government, which often translates into inefficient routing, overcapacity vehicles, high safety risks to drivers and operators, and high fares that force many citizens to rely on walking as their main mode of transportation.

5. Cap-Haïtien—the country’s second-largest city—has the potential to become a growth pole in the north. The city itself was estimated to have around 320,000 inhabitants in 2015. The city is the closest entry point for the Caracol Industrial Park (CIP), the largest state investment in the northern region. The number of jobs created at the park grew from 2,500 employees in 2014 to about 15,000 today, of which 65 percent are women. While the CIP continues to provide subsidized transportation for workers, interchanges and passenger loading facilities remain nonexistent outside the CIP and service remains unreliable. These factors affect park operation hours and constrain growth opportunities.

6. Frequent climate-induced natural disasters and related disruptions add challenges to urban mobility and accessibility in Haitian cities and tend to affect poor households to a greater degree. The recent earthquake of August 2021 damaged more than 850 km of roads (including primary and secondary roads) in three southern departments (Nippes, South, and Grand’Anse), resulting in damages to the transport sector of up to US\$160 million and leaving more than 450,000 people isolated.

7. The proposed Project would support the reconstruction efforts of the southern peninsula by targeting investment needs that improve the area’s overall climate resilience with (i) an integrated approach to territorial planning (including urban accessibility and overall connectivity); (ii) appropriate technical standards for road infrastructure design and rehabilitation; (iii) infrastructure maintenance and reliable connectivity; and (iv) capacity and institutional arrangements to properly handle investment planning, crisis management, and reconstruction.

8. By focusing on improving urban transport infrastructure and services in Cap-Haïtien, the Project fits within this coordinated territorial approach, complementing existing operations. Awareness of the challenges in urban planning and urban mobility and the need to tackle them is growing; a presidential commission to modernize urban transport was installed in 2018 and the GoH recently launched the Urbayiti program (financed by the European Union), aiming at tackling the transport needs of Port-au-Prince.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to (i) enhance climate-resilient rural connectivity in the South Peninsula, (ii) improve climate-resilient urban accessibility in Cap Haitien and targeted urban areas, and (iii) enhance institutional capacity in the urban transport sector.

Key Results



9. The Project's progress toward its PDO will be measured by the following PDO indicators:
 - i. People benefited from improved climate-resilient roads (Number)
 - ii. Economic opportunities in Cap-Haïtien accessible by public transport from targeted areas within less than 60 minutes (%)
 - iii. Single regional regulatory body for urban transport is operational and staffed (Y/N).

D. Project Description

10. The proposed Project would build on lessons learned and results from previous Bank-financed transport projects including previous experience responding to emergencies, tackling climate change challenges, and engaging citizens in a fragile environment. It would include five components: (i) Component 1: Resilient Transport Connectivity; (ii) Resilient Urban Transport Infrastructure Improvements; (iii) Institutional strengthening ; (iv) Contingent Emergency Response and (v) Project Management. Total Project cost is estimated at US\$120 million, and financing will include US\$100 million from Haiti's IDA program, US\$20 million from the Crisis Response Window (CRW). The project will be implemented over six years.

11. **Component 1: Resilient Transport Connectivity (US\$50 million):** This Component would finance structural investments in the transport sector to improve climate resilience connectivity, by following a “build back better” approach in the South, Nippes, Grand’Anse, and South-East departments. It will focus on 4 pillars (i) climate adaptation of rural roads, (ii) drainage improvement of rural-urban mobility infrastructure, (iii) complementary facilities, and (iv) capacity building. The civil works to be financed under Component 1 would integrate climate/disaster resilience measures through appropriate choice of materials and design of enhanced drainage features.

12. **Component 2: Resilient Urban Transport Infrastructure Improvements (US\$50 million).** This component will improve resilient access and enhance mobility along selected corridors in Cap-Haïtien. Activities will include civil works to enhance reliable nonmotorized access and public transport mobility, strengthen climate resilience, and improve road safety in selected corridors of the metropolitan area of Cap-Haïtien. This component would include four main activities: (i) improvements of critical sections of the urban street network to facilitate the safe coexistence of pedestrians and vendors with commercial vehicles; (ii) drainage improvement in pedestrian infrastructure, roads, streets, and markets to withstand projected increases in rainfall, sea level rise, and storm surges; (iii) public transport improvements, including new stations for tap-tap interchanges and passenger loading facilities in selected corridors including the in the northeast corridor.

13. **Component 3: Promoting Low-Carbon and Sustainable Urban Mobility (US\$14 million).** This component aims to (i) strengthen the institutional capacity of the MTPTC, MEF, MAST, and local entities for managing, operating and overseeing urban transport operations and their development through a combination of technical assistance activities, training. This component will also support the establishment of a regulatory and institutional framework conducive to the implementation of the urban mobility agenda and the modernization and professionalization of public transport services.

14. **Component 4: Contingent Emergency Response Component (CERC) (US\$0 million).** This component will finance the provision of support in the event of an eligible emergency.



15. Component 5: Project Management (US\$6 million): This component would support the MTPTC and its Central Execution Unit (*Unité Centrale d'Exécution, UCE*) in coordination, implementation, management, and supervision (including fiduciary aspects, monitoring, evaluation, and reporting of Project activities and results), through the provision of goods, consultant services, training, and operating costs, including the carrying out of Project audits.

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

16. Environmental risk is classified as Substantial. This assessment is based on the fact that, although there are no planned works that could generate large-scale or irreversible impacts, there are a number of risk factors outside the control of the Project that could have a substantial impact on the Environmental (and Social) performance and outcomes of the Project, even after application of identified risk mitigation measures. Given this context, and the wide geography across which project-financed interventions are planned to take place, environmental risk is assessed as Substantial. As noted, the proposed project interventions do not present significant adverse risks in terms of the nature or magnitude of potential impacts on the local environment, and in fact are likely to improve the intra-urban environment over the long-run.

17. The complex nature of some of the specific risks is currently assessed through an Environmental and Social Management Framework (ESMF), in draft at the time of writing, as precise investment locations and technical interventions are not yet known. MTPTC/UCE has demonstrated strong capacity to develop and apply mitigation measures for non-project related risks, and have shown on numerous occasions their ability to undertake adaptive management (depending dynamic changes on the ground following disaster risk, political economy risk, etc.). Appropriate mitigation measures will be included in Environmental and Social Management Plans (ESMPs), once exact urban locations and precise interventions in different zones are known.

18. Social risk is classified as Substantial. 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) Project location is composed of densely populated urban areas and peri-urban zones at high flood risk which can cut off access of residents to basic infrastructure and services, poor traffic regulations and road safety, (iii) SEA/SH risks are assessed as Substantial based on contextual and project specific risks (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 in urban areas, (v) social exclusion risks especially for vulnerable stakeholders, including the risk that women, residents with



disabilities 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-. These risks and corresponding mitigation measures are set out in the Project's Environmental and Social Management Framework (ESMF), Labor Management Procedures (including a Project workers-specific GRM), a Resettlement Policy Framework (RPF) and a Stakeholder Engagement Plan (SEP).

E. Implementation

Institutional and Implementation Arrangements

19. MTPTC, as the line ministry responsible for the planning, execution and maintenance of transport and urban infrastructure will be responsible for overall project oversight. The *Unité Centrale d'Execution (UCE)* within MTPTC will be responsible for project implementation, and will use the institutional framework, procurement, financial management and disbursement arrangements in place under other World Bank-financed projects implemented by the MTPTC.

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APPROVAL

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