Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/13/2020 | Report No: ESRSA00456
The Project Development Objective is to improve selected urban infrastructure and public spaces to support a more livable and resilient Cap-Haitien city-region.

<table>
<thead>
<tr>
<th>Proposed Development Objective(s)</th>
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<td><strong>The Project Development Objective is to improve selected urban infrastructure and public spaces to support a more livable and resilient Cap-Haitien city-region.</strong></td>
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<thead>
<tr>
<th>Financing (in USD Million)</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>56.00</td>
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B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The Project will comprise of four components: Component 1–Urban Infrastructure Investments; Component 2 – Capacity Building; Component 3 – Contingent Emergency Response; and Component 4 – Project Management and Implementation Support.

D. Environmental and Social Overview
Cap-Haitien is the second largest city in Haiti with rich history, cultural heritage and tourism potential. It is composed of densely populated urban areas and peri-urban zones at high flood risk, poor traffic regulations and road safety, and high degree of informal settlements, as well as history of displacement/forced evictions particularly in the coastal areas. Access to basic services is low and decreasing, as local governments are not being able to control and catch-up with population growth and the expansion of the city. The situation is particularly severe in the case of solid waste collection and disposal, water supply and sanitation. The city is also quickly urbanizing over the remaining open and green spaces – which tend to correspond with high-risk areas, thus increasing the hazard exposure. The municipality of Cap-Haitien is responsible for service delivery including land use planning, solid waste management and, parks and recreation. However, limited and unpredictable financing, delays in central government transfers combined with limited own-source revenue mobilization and low institutional capacity contribute to poor service delivery outcomes.

A number of high visibility investments are ongoing or planned to be completed. The World Bank is financing two other projects in Cap Haitien. The proposed project aims to improve selected urban infrastructure and public spaces to support a more livable and resilient urban growth in the Cap-Haitien city-region. It aims to rehabilitate or upgrade existing urban infrastructure, incorporate resilience as a cross-cutting theme and enhance public spaces for community well-being. It also aims to enhance inter-urban connectivity by upgrading, an existing by-pass road to the south of the city. For the most part, works are expected to occur on public lands and widespread greenfield development is not anticipated.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS
A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating  Substantial

Anticipated public works financed by the project include rehabilitation and upgrading of a bypass road, called the SOS road, the upgrading of a small section of the city’s main boardwalk (following the Boulevard de Cap-Haitien), and small-scale works, such as street lighting, building recreational facilities (e.g., basketball courts), fixing side-walks, steps, ramps, etc. Project parameters under discussion and preliminary site inspections indicate that there are potential substantial environmental risks based, primarily, on project location, the nature and magnitude of linear works, and the capacity of national and municipal authorities to manage risks consistent with the requirements set out in the ESF. With regard to the project location, investments will be made in the context of a densely populated urban and peri-urban area at high flood risk, subject to a high level of informal settlement coupled with weak zoning enforcement, and poor traffic regulations and road safety. The complex nature of some of the specific risk factors have been assessed through an Environmental and Social Management Framework (ESMF), an ongoing Environmental and Social Assessment (ESIA) and other due diligence efforts, including site inspections and stakeholder consultations. Climate and disaster resilience, in general, and flood risk, in particular, are fully integrated in Project design, which is a high priority given historic flooding events in the area. In this regard, the nature-based protection services provided by natural floodplains and wetlands adjacent to the city, notably along the perimeter of the SOS Road, surrounding high-value connective infrastructure (abutting the airport and connecting the National Routes (RN) 1 and 3) have been assessed by a study of biodiversity and ecosystem services provided by the wetlands in the Mapou/Rhodo rivers basins. Additionally, waste management is a particular challenge in Cap-Haitien, and will be a cross-cutting risk for all Project activities. Every effort will be made to minimize and repurpose waste generated. The mitigation measures will be included in the Environmental and Social Management Plans (ESMPs).

Social Risk Rating  Substantial

The proposed Project will support the improvement of urban infrastructure and public spaces. The investments include the upgrading of open and green areas, such as parks, playgrounds, sections of waterfront, squares; and/or the rehabilitation of roads and associated infrastructure, such as drainage, sidewalks, pedestrian walkways, street lighting, and bike paths. There are substantial social risks based on the following assessment: (i) Contextual social risks- the political fragility, deteriorating security situation and travel restrictions constitutes a significant risk in terms limiting the client’s already stretched capacity to deliver and supervise project activities, as well as the ability of key stakeholders to participate in the project’s implementation. (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 for weeks, poor traffic regulations and road safety. (iii) Potential negative impacts due to land acquisition, physical and economic resettlement risks, especially potential adverse impacts on economic activities given the high level of street vendors around the city. It is anticipated that the project will have approximately 15 infrastructure sub-projects of different sizes. The estimated number of total affected households could be up to 450 households (30 household average per sub project). The land acquisition and resettlement related risks will be minimized by remaining within the right of way for road rehabilitation and prioritizing investments on public land. (iv) There are social exclusion risks especially for vulnerable stakeholders, including (a) the risk that residents with disabilities, or the elderly may not be accessing the project benefits, (b) the risk of women or local youth not fully benefiting from available job opportunities created by project, or (c) 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. The Environmental and Social Impact Assessment (ESIA), the Labor Management Procedures (LMP), Environmental and Social Management Framework (ESMF) and Environmental and Social Management Plans (ESMPs) will address social exclusion risks and propose mitigation measures. The project is gender-tagged and will make specific effort to close gender gaps linked to access/use of public spaces. A strong stakeholder engagement plan (SEP) and grievance mechanism are deployed throughout the project to mitigate some of these risks. (iv) Risk of inadequate time and capacity by the PIU to prepare and implement the project given the heavy work load. This risk has been mitigated by hiring additional safeguards staff and plans to recruit delegated agencies (MDOD) as described above under Section on Borrower's Institutional Capacity.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The Standard is relevant. The expected positive impacts of the project include: (i) more inclusive and resilient urban infrastructure and public spaces; with a focus on community well-being and limiting of human settlements in the most disaster-prone urban areas, and (ii) strengthened institutional capacity to support a more livable and resilient urban growth in the Cap-Haitien city-region. Nonetheless, there are a number of potential environmental and social risks that could arise from Project activities, in addition to some cross-cutting contextual risks across the Project as a whole, as set out above in more detail under the ESRC section. The most prominent cross-cutting risks relate to (i) community and worker health and safety and (ii) waste management. Mitigation measures to address both of these have been integrated as core considerations in Project design, drawing on previous operational experience in the Cap Haitien region, and are outlined more fully in the ESMF and eventual ESIA.

Key risks and associated impacts from activities associated with the large urban infrastructure investment include: (i) seasonal flooding along sections of the road which passes through a natural floodplain; potential minor land acquisition and resettlement impacts along the road to allow for realignment or the smoothening along the existing right of way; (ii) disruption of traffic due to temporary road closures, public health and safety risks from increased traffic and vehicle speed; especially around the proximity of schools and the SOS orphanage. With regard to the neighborhood upgrading investments, include minor scale resettlement, temporary restriction of access to roads, shops or residences during the sub-project implementation phase, and other health and safety impacts for workers and communities. iii)There are social exclusion risks especially for vulnerable stakeholders including residents with disabilities, elderly persons, women or local youth and community workers, day or rotating low skilled workers as described in more detail under the ESRC section.

All of the above potential risks and anticipated impacts have been assessed, with reciprocal mitigation measures proposed through several documents. MTPTC-UCE has commissioned an independent ESIA, which will be ready by the Board date. ESMF, RPF, SEP and ESCP all have advanced drafts and will also be disclosed by Appraisal. LMP is under preparation and will be ready by the Board date. Other instruments and actions that will need to be prepared and implemented during the Project implementation are included in the ESCP.
ESS10 Stakeholder Engagement and Information Disclosure

The Project has robust stakeholder engagement measures built into its design and implementation. Regarding neighborhood upgrading, the visioning and investment prioritization exercise are being undertaken using participatory planning principles to ensure that the areas for project intervention are well understood and the proposed investments and priorities are in line with citizen needs. A delegated agency (MDOD) will also be contracted to ensure that the implementation of neighborhood upgrading investments is done in close partnership with beneficiary communities. The stakeholder engagement will make use of existing consultation platforms at the municipality level such as the regularly-held meetings at the Cap-Haitien Mayor’s office and at the Conseil d’Administration de la Section Communale (CASEC) [the lowest level government entity]. Furthermore, recreational improvements that will be considered as part of the smaller sections of neighborhood upgrading investments (e.g. bike lanes) will be finalized through stakeholder engagement. MTPTC-UCE will carry out meaningful consultations throughout the project life cycle, paying particular attention to the inclusion of groups with specific needs and preferences (including the elderly, persons with disabilities, women, children). An advanced Stakeholder Engagement Plan (SEP) is ready and will be disclosed by Appraisal.

Stakeholders include, among others, the Ministry of Public Works, local governments in Cap-Haitien and any adjacent municipalities (as relevant), residents of Cap-Haitien, relevant planning agencies, local Civil Society Organizations (CSOs), universities, donors operating in the area, Chamber of Commerce, the association that represent drivers of motor vehicles, the Orphanage that is located on the bypass road that will be rehabilitated under the Project, the businesses who will be impacted by intervention in the smaller section of the waterfront, and the media. The first set of consultations were carried out during early June and focused on key design issues, stakeholder opinions about the proposed interventions as well as a discussion on the broader Environmental and Social risks and impacts of the Project.

A Grievance Mechanism is explained in the SEP and in the RPF, both of which have advanced drafts and will be disclosed by Appraisal. The GRM will build on existing mechanisms that have been developed for other Bank-funded projects operating in Cap-Haitien, in particular the GRM system used under the Municipal Development and Urban Resilience Project. The specific Grievance Mechanism for project workers required under ESS2—Labor & Working Conditions—will be prepared separately and included in the Labor Management Procedures (LMP), which is in draft stage and will be completed by the Project’s Board Date (March 6, 2020). The project grievance redress mechanism will routinely report and keep records of all salient issues or grievances which arise; and UCE/MTPTC will ensure timely follow-up and tracking of grievances to their resolution.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions
This is a relevant standard for the Project given that there will be substantial public works under approximately 15 sub-projects. MTPTC-UCE has developed draft Labor Management Procedures (LMP) which will be finalized by the Board date (March 6, 2020). The LMP considers the following groups: (i) direct workers; (ii) contracted workers; (iii) primary supply workers; and (iv) community workers. Certain provisions of ESS2 (paras. 17-20 and 24-30) are applicable to the government civil servants that may be involved in the project implementation and oversight. Civil servants working in connection with the project full-time or part-time will remain subject to the terms and conditions of their existing public sector employment or agreement unless there has been an effective legal transfer of their employment or engagement in the Project. The LMP contains a review and comparison of national laws on labor and working conditions with ESS2, including measures to avoid discrimination in recruitment, prevent child and forced labor and measures related to occupational health and safety. More detailed health and safety measures for workers will be spelled out under the sub-project specific ESMPs and included in relevant procurement bidding documents, including procedures on incident investigation and reporting, recording and reporting of non-conformance, emergency preparedness and response procedures, and continuous training and awareness raising for workers, adoption and enforcement of Code of Conducts, addressing labor influx, worker behavior, and GBV risks.

The number of eventual workers is currently unknown. Most of the labor is expected to be locally hired with the exception of skilled workers who cannot be found in the locality. Worker camps are not anticipated. However, experience from an ongoing project in Cap-Haitien suggests that the housing options in the city may be limited or the quality of housing may not meet World Bank standards, given the high levels of informality in the construction of buildings in flood zones. Further arrangements may be needed in the adjacent municipalities particularly for non-local workers. ESMPs and bidding documents will include the standards of accommodation for workers. A Grievance Redress Mechanism (GRM) will be available for all workers covered under ESS2, which is spelled out under the LMP. MTPTC-UCE’s capacity to manage labor and working conditions and community health and safety will be assessed before Project effectiveness and any gaps will be addressed through targeted capacity building, as necessary.

ESS3 Resource Efficiency and Pollution Prevention and Management

This Standard is relevant. The ESMP includes an assessment of risks associated with waste generation and outlines relevant management strategies, including alternatives for safe waste removal and storage mirroring the approach followed by other ongoing World Bank-financed investments in the area. Based on the outcome of any technical and feasibility studies, every effort will be made to enhance resource efficiency by minimizing the debris and waste to be displaced or removed and disposed while maximizing opportunities to reuse source materials. With regard to air quality, there are limited up to date relevant data available although by easing congestion in the inner-city, it is likely that the Project will have likely overall positive benefits for local air quality in the area. A preliminary greenhouse gas (GHG) accounting assessment applying relevant sectoral methodologies (transport and urban) will be integrated in the ESIA. Finally, as necessary, more detailed or targeted provisions for resource efficiency and management or mitigation measures may be required in site- or sector-specific ESMPs once further all technical feasibility studies have been finalized. These studies are expected to be done between February and November 2021.

ESS4 Community Health and Safety
This standard is relevant, given the inclusion of construction and rehabilitation works in the Project activities and that Project area is a congested urban settlement with heavy traffic and street activity, and poor enforcement capacity of the state to enforce national health and safety regulations. The main projected Community Health and Safety related impacts and risks include (i) increased risk of traffic hazards and incidents associated with presence of trucks and other heavy machinery; (ii) blocking or diversion of traffic to potentially less accessible routes in terms of mobility; (iii) exposure to hazardous materials and possible health risks associated with inappropriate storage/use of chemicals; (iv) exposure to dust emission and noise pollution; (v) health risks linked to inappropriate disposal of solid and human waste; and (vi) risks linked to potential misconduct of workers (sexual or otherwise) in the communities around work/accommodation sites. These risks and proposed mitigation measures are spelled out in the ESMF, an advanced draft of which has been prepared. ESMF will be disclosed by Appraisal. The ESIA that is under preparation will also highlight these risks. Mitigation measures will be taken to reduce impacts on communities to minor/acceptable levels, including controlling access to project sites, developing community emergency response procedures, implementing measures to prevent disease and exposure to toxic materials such as the proper disposal of human and hazardous waste, as well as specifying in Codes of Conduct the engagement rules for workers with the adjacent communities.

Project design will ensure universal accessibility to all improved infrastructure, where technically and economically feasible, including sidewalks, parks and other infrastructure, as well as safety of any stalls, benches, playgrounds, etc. For all the construction/ rehabilitation work, it is stipulated in the draft ESMF and will also be addressed in the ESMPs that the contractor should install a security system around the Project sites and equipment (fences and security guards if necessary) during the entire construction period. If feasible, equipment and vehicles will be brought together to one single protected area during the night to ensure both community and worker’s safety.

Although not foreseen as a significant risk for this operation, the presence of workers may lead to adverse social impacts such as sexual exploitation and/or GBV. At the same time, the proposed Project could present opportunities to make positive impacts within its area of influence by taking certain measures to improve the safety of residents. The Project will likely finance street lamps to improve community spaces. These could be placed in areas where women wait for shared transport vehicles; market stalls that could be used by women to sell goods, small size rest areas (benches, tables etc.), particularly targeting those female commuters who tend to travel with children or elderly family members. Improving public infrastructure such as lighting and sidewalks, as well as increasing visibility within public transport points (e.g. bus and minivan stations) may help reduce crime and violence in the city. In terms of GBV, the Project will follow the recommendations of the Global GBV Task Force Report by enhancing contractual obligations that require contractors to have sexual harassment prevention policies and Codes of Conduct for workers, which will also be included as requirements in Procurement bidding documents. Given the security issues and frequent demonstrations in Cap Haitien, it is possible that some contractors may hire private security to protect the work sites. If that is the case, the Borrower will need to ensure that they are adequately trained in appropriate conduct toward workers and affected communities; and require them to act within the applicable law and any requirements set out in the ESCP and Code of Conducts. This point will be captured in site-specific ESMPs as well as the finalized ESMF.
This Standard is relevant given that public works will be a key component of the Project, including the upgrading of a small section of the city’s waterfront along the Boulevard du Cap-Haitien, the rehabilitation and upgrading of SOS (bypass) road, and small-scale works, such as street lighting, fixing side-walks or stairs, ravine clean-up, rehabilitation of existing drainage systems. Small-scale physical resettlement, land acquisition, and adverse impacts on sources of revenue is possible given city’s demographic characteristics and level of informality. The neighborhood upgrading investments will not be known before the project implementation phase. Based on experience from other projects in Haiti that have faced long delays in completing land-related compensation, investments on public land will be prioritized. An advanced draft of a Resettlement Policy Framework (RPF) is ready and will be finalized and disclosed by appraisal. The commitment to prepare subsequent site-specific RAPs is included in the ESCP. Site-specific RAPs and/or Abbreviated Resettlement Action Plans (ARAPs) will be prepared, when required, once the sites are determined after the completion of final technical designs. No works will commence prior to the preparation and implementation of appropriate risk management instruments. Voluntary Land Donations (VLD) will be avoided as much as possible, however, they may still take place under exceptional circumstances for neighborhood investments. The RPF includes a stand-alone VLD Protocol and an eligibility checklist. The resettlement related expenditures (except for land) will be financed out of Project funds as has been the case in all recent projects financed by the Bank in Haiti.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This Standard is relevant. Some of the primary interventions under consideration should not impose any significant negative impacts to local biodiversity in the immediate zone of impact and for the waterfront area, the Project may promote conservation of the remaining biodiversity endowment in the peri-urban environment. For the large urban infrastructure investments, potential direct and indirect impacts may arise: there is a wetland area within the extended zone of impact of the proposed SOS road and conservation of its core ecological functions is integrated in project feasibility studies. A preliminary biodiversity assessment, conducted as an input to the ESIA, highlights the high levels of degradation on the wetland area over recent decades but nonetheless notes its positive role in regulating flood risk, which will be maintained and enhanced to the extent possible. The ESMF includes procedures to assess biodiversity and natural habitats that could be impacted by Project activities, including procedures for reviewing site-specific issues of relevance to biodiversity conservation and the sustainable management of living natural resources. In designing Project activities, due care and attention will be paid to the mitigation hierarchy to minimize harm to local biodiversity and natural resources, and site specific ESMPs will address management and mitigation measures, as necessary.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

The Standard is not relevant. There are no Indigenous Peoples in Haiti that fulfill the four characteristics indicated under this ESS7.

ESS8 Cultural Heritage

This Standard is relevant. As a port city with a rich heritage dating back to before Haiti’s independence, Cap Haitien’s history and heritage is representative of Haiti’s national heritage and identity. Any project interventions will address cultural heritage as an integral aspect of Cap Haitien’s sustainable urban renewal and development and promote
equitable benefit-sharing for all economic sectors in the city and its surrounding area. Appropriate cultural heritage aspects have been taken into account and will be a key consideration in the independent ESIA being undertaken as part of the Project. The consultancy firm and MTPTC-UCE will liaise with the local planning authorities and the national heritage institution, Institut de sauvegarde du patrimoine national (ISPAN), who is already engaged on other World Bank-financed activities in the area. Based on the outcome of these discussions and depending on the contours of final technical designs, cultural heritage plans in accordance with ESS8 may be developed for specific sub-projects, as needed. In addition, Chance Find procedures will be included as part of all contracts for physical works.

ESS9 Financial Intermediaries
This Standard is not relevant as there is no financial intermediary involvement in the Project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
No

OP 7.60 Projects in Disputed Areas
No

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
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<tr>
<td>Environmental and Social Impact Assessment</td>
<td>03/2020</td>
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<td>Environmental and Social Management Framework</td>
<td>11/2019</td>
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<td>Environmental and Social Management Plans</td>
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<td>For ongoing actions check attachment with draft ESCP</td>
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<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
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<td>ESS 2 Labor and Working Conditions</td>
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<td>Labor and Management Procedures</td>
<td>03/2020</td>
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<tr>
<td>ESS 3 Resource Efficiency and Pollution Prevention and Management</td>
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### B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

**Is this project being prepared for use of Borrower Framework?**  
No

**Areas where “Use of Borrower Framework” is being considered:**  
None.

### IV. CONTACT POINTS

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<th>World Bank</th>
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<tr>
<td><strong>Borrower:</strong> Ministry of Finance</td>
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Implementing Agency(ies)
Implementing Agency: Ministry of Public Works, Transport and Communications

V. FOR MORE INFORMATION CONTACT
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VI. APPROVAL
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