I. Basic Information for TC

- **Country/Region:** HAITI
- **TC Name:** Support to the execution of the water and sanitation portfolio in Haiti (4605/GR-HA, 4697/GR-HA et 5390/GR-HA and 4353/GR-HA programs)
- **TC Number:** HA-T1319
- **Team Leader/Members:** Matthieussent Romain, Sarah C. (INE/WSA) Team Leader; Perez Monforte, Sergio (INE/WSA) Alternate Team Leader; Carlos Guiza (INE/WSA); Dugas, Fabrice Ghisler (CID/CHA); Elodie Crabbe (INE/WSA); Etienne Salnave, Marise (VPC/FMP); Gilbert Amandine Anne Aurore (INE/WSA); Jimenez Mosquera, Javier I. (LEG/SGO); Marthe Denise Archambault, Aude Gabrielle (VPS/ESG); Orisme Roc Passard, Marie Marcelle (VPC/FMP); Pierre, Ghislaine Joseph (CID/CHA); Polynice, Guerline (VPS/ESG) Ghisler (CID/CHA); Elodie Crabbe (INE/WSA); Etienne Salnave, Marise (VPC/FMP); Gilbert Amandine Anne Aurore (INE/WSA); Jimenez Mosquera, Javier I. (LEG/SGO); Marthe Denise Archambault, Aude Gabrielle (VPS/ESG); Orisme Roc Passard, Marie Marcelle (VPC/FMP); Pierre, Ghislaine Joseph (CID/CHA); Polynice, Guerline (VPS/ESG)
- **Taxonomy:** Operational Support
- **Operation Supported by the TC:** HA-L1103, HA-L1106, HA-L1135, HA-L1143.
- **Date of TC Abstract authorization:** 22 Mar 2023.
- **Beneficiary:** Haiti’s National Water and Sanitation Authority (DINEPA, French acronym) and the Technical Execution Unit (UTE, French acronym) of the Ministry of Economy and Finance (MEF)
- **Executing Agency and contact name:** Inter-American Development Bank
- **Donors providing funding:** OC SDP Window 1 - Operational Capacity and Policy Dialogue for OC-concessional eligible countries(W1D); OC SDP Window 2 - Infrastructure(W2B)
- **IDB Funding Requested:** OC SDP Window 1 - Operational Capacity and Policy Dialogue for OC-concessional eligible countries(W1D): US$350,000.00
  OC SDP Window 2 - Infrastructure (W2B): US$250,000.00
  Total: US$600,000.00
- **Local counterpart funding, if any:** US$0
- **Disbursement period (which includes Execution period):** 36 months
- **Required start date:** September 2023
- **Types of consultants:** Firms and Individuals
- **Prepared by Unit:** INE/WSA-Water & Sanitation
- **Unit of Disbursement Responsibility:** CID/CHA-Country Office Haiti
- **TC included in Country Strategy (y/n):** y
- **TC included in CPD (y/n):** n
- **Alignment to the Update to the Institutional Strategy 2020-2023:** Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability; Gender equality

II. Description of the Associated Loan/Guarantee
2.1. The Water and Sanitation Division (INE/WSA) within the Energy sector (INE/INE) of the Inter-American Development Bank (IDB), currently has four projects in execution in Haiti (HA-L1103, HA-L1135, HA-L1136, and HA-L1143), that add to a total approved amount of US$288.5 million from which 76% is still undisbursed.

2.2. This TC will aim at supporting the implementation of these four projects. The first two are executed by Haiti’s National Water and Sanitation Authority (DINEPA, French acronym) through the North and West Regional Offices of Water and Sanitation (OREPA, French acronym), and the two others are executed by the Ministry of Economy and Finance (MEF) through its Technical Execution Unit (UTE, French acronym):

2.3. **HA-L1103.** The “Port au Prince Water and Sanitation Project III” has the objective of improving the distribution of available water and the sustainability of the operator in Port-au-Prince Metropolitan Region. The project started in 2018 and most infrastructure works are in execution. This project should close by the end of 2024. With an approved amount of US$65 million, the project has committed 85% and disbursed 46% of the total amount. As of now, according to the Project Monitoring Report (PMR) classification, this project is satisfactory, however, the supervision of works remains a challenge because of the high insecurity in Port au Prince. The operation’s last disbursement date is December 20, 2024, and no extensions are being contemplated.

2.4. **HA-L1135.** The “Water supply, sanitation and hygiene project in urban, peri urban and rural areas in Haiti’s Grand Nord Region”, covers Cap Haitian and Gonaives, Saint Louis du Nord, Port de Paix and Ouanaminthe. Its aims to improve household drinking water coverage and to support the sustainability of water operators in other cities such as Jacmel. This project has an important rural component to reduce the rate of open defecation and improve the coverage of basic drinking water services. Approved in 2019, for a total amount of US$125 million, the operation has committed 67% of the funds and fully disbursed 27%. As a multi-works project, where 40% of the PMR classification is based on disbursements, the operation is in Alert. After a reformulation process, the whole program will change to the specific works modality, which along with the improved results, is expected to improve the classification. The operation’s last disbursement date is April 22, 2025, and will eventually be extended for 24 additional months, as directed by the mid-term evaluation.

2.5. **HA-L1106.** The “Solid waste management in Northern Haiti” project aims to improve living conditions for residents in the northern region through hygiene and management practices and the implementation of infrastructure for the handling and final disposal of solid waste to comply with international technical standards. This operation strengthens municipal capacities for managing solid waste and aims to consolidate the Société Anonyme Mixte (SAM for its French acronym), a mixed capital company responsible for solid waste management. Eligible to disburse in June 2020, the main activity (70% of total amount) consists in the creation of an Integrated Center for the Management of Solid Waste in Limonade, which is currently under its second procurement process. The operations’ undisbursed amount represents 87% of the total approved. According to the PMR classification, this operation is in Alert, the last disbursement is expected to be on December 10, 2025, and will probably be extended for one more year.

2.6. **HA-L1143.** The “productive infrastructure program V”, aims to contribute to the sustainable economic development of Northern Haiti by creating jobs in the region...
through the provision of conditions for the establishment and expansion of firms in the Parc Industriel de Caracol (PIC). Eligible in November 2022, this operation is in execution, it includes the construction of infrastructures inside the PIC but also an institutional and a training component. 50% of the total amount of the project should be committed and 20% disbursed by the end of 2023. Some of the main activities involve the construction and rehabilitation of PIC infrastructure, including two additional factories and the rehabilitation of a restaurant. As of now, according to the PMR classification, the project is satisfactory. The expected last disbursement date is December 22, 2026.

III. Objectives and Justification of the TC

3.1. The objective of this TC is to support the execution of the water and sanitation portfolio in Haiti. Specific objectives are to support three complex operations located in the Northern Region HA-L1106, HA-L1135 and HA-L1143, and one HA-L1103 in Port au Prince and the West Region.

3.2. The water and sanitation sector in Haiti presents numerous challenges. According to the Joint Monitoring Program report\(^1\), in 2022 only 58% of the population had access to water and 66% to sanitation facilities (latrines or septic tanks). Currently, the country lacks a supervised site for final disposal of solid waste and an adequate solid waste collection system. This situation poses a threat to the quality of soil and surface and groundwater, increasing the country’s vulnerability to natural disasters, especially flooding, being exacerbated by the effects of climate change.\(^2\) In addition, impacts on human health, and opportunities to advance economic activities, such as tourism, are significantly affected.\(^3\)

3.3. Regarding gender and diversity, the participation of women in the Haitian labor market is 49.5%, while that of men is 77%. Globally, women do 3 to 3.5 times more unpaid work than men. However, the increase in their participation would translate into an increase in the country's potential GDP and its per capita income. Therefore, it is necessary to promote stakeholder’s participation including women associations to increase their participation in decision-making spaces.

3.4. Challenges as described, especially in the water and sanitation sector, are not only caused by external factors or the low flow of investments during the last decade, but also because of deficiencies among operators, water and sanitation institution’s fragility and weak local governance in the solid waste subsector. These factors contribute to difficulties in project execution. In 2022, the Country Office of Haiti, conducted an analysis of the challenges for implementation, leading to three main categories: (i) the changing political, institutional, natural and legal environment; (ii) the capacities of Executing Units (EUs); and (iii) governance of the operations themselves. Narrowing down the analysis: (i) EUs human resources; DINEPA and UTE/MEF are facing a staff shortage. A high number of trained workers have left the country because of institutional instability, high levels of insecurity directly linked to gang activity, and economic crisis. Some have found a way by working remotely, however, in terms of project management, this is not a sustainable alternative as field activities and team

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2. Drainage systems become blocked by sedimentation and solid waste, increasing contamination, and generating the threat of waterborne diseases (IDB, The Northern Development Corridor, Haiti, 2015).
building are necessary; (ii) high levels of insecurity make technical supervision of works more difficult; DINEPA and the UTE/MEF have found a solution by contracting third parties which depending on the situation, are able to perform inspections, but sometimes like in HA-L1103 concerning Port au Prince, it has been specially challenging. (iii) DINEPA and UTE/MEF have capacities in technical areas but lack additional support (individual consultants or consulting firms) to promote and implement innovative institutional arrangements (i.e., CTE RMPP modernization, ATPR monitoring, SAM strengthening and PIC private management) defined during project design; finally, (iv) there are persisting difficulties to mobilize international or national experts to support competitive bidding processes, necessary to strengthen execution activities.

3.5. Derived from this analysis, the TC aims to support DINEPA and UTE/MEF in executing the water and sanitation portfolio by strengthening their technical, institutional, fiduciary and management capacities to ensure the achievement of project results in a context of fragility.

3.6. **Strategic alignment.** The TC is consistent with the Update to the Institutional Strategy (UIS) 2020-2023 (AB-3190-2) and it is aligned with the challenges of: (i) social inclusion and equality, by contributing to the improvement of the living conditions of the population in underprivileged areas of the cities by providing adapted solutions to access water, sanitation and solid waste management services; and (ii) productivity and innovation, recognizing that the improvement of waste management services and the development of PIC will boost regional productivity as it promotes economic development, especially in the tourism and industrial sectors. It is also aligned with the cross-cutting areas of: (i) Institutional capacity and rule of law, as it supports programs that improve the management capacities of local governments to provide better solid waste management services; (ii) Climate change and environmental sustainability, by reducing environmental contamination and vulnerability to flooding phenomena through the proper disposal of waste, freeing up degraded areas and with specific measures that include improvements in wastewater treatment, training in waste and energy reduction strategies and PIC services; and (iii) Gender equality and diversity, as the TC will mainstream gender equality and inclusion by promoting women associations’ participation in decision-making spaces.

3.7. The TC is also consistent with the Bank’s Country Strategy with Haiti (document GN-2904) as it will contribute to the strategic priority of making basic public services more accessible to enhance human development, and with the proposal for the allocation of Resources to the Strategic Development Program financed with Ordinary Capital for Fiscal Year 2023 - OC SDP (GN-3137). Specifically with the objectives and activities of Window 2 - Infrastructure (W2B) being one of its objectives to improve the performance, quality and sustainability of infrastructure services and with the objectives and activities of Window 1 - Core Commitment 4 – Operational Capacity and Policy Dialogue for OC concessional Eligible Countries (W1D), which supports the Bank’s work in Haiti in advancing, among others, portfolio development and execution to support sectors and clients in supervising operations in execution and in design by providing additional technical, procurement, and fiduciary expertise.

IV. **Description of activities/components and budget**

4.1. **Component I: Support DINEPA in the execution of HA-L1103 and HA-L1135.** The objective of this component is to support DINEPA in the execution and implementation of operations HA-L1103 and HA-L1135.
4.2. The component will support the improvement of construction supervision and new design. Specific activities are to: (i) improve the supervision of the water network construction in progress in Port au Prince, Cap Haitian, Gonaives and other cities by supporting the arrangements for site visits, analysis of documents prior to the start of the works and during execution, analysis of modifications proposed by companies in charge of the design of water networks, and all other activities related to the supervision and monitoring of the works; (ii) support the monitoring of Assistance Technique par Résultats (ATPR) and the Centre technique d’exploitation de la Région Métropolitaine de Port-Au-Prince (CTE RMPP) with the elaboration of a strategic intervention plan to improve the water network management contracts in execution\(^4\) by following contract indicators and performing technical reviews of consulting products; (iii) improve the financial and accounting capabilities of the Centre Technique d’Exploitation (CTEs) and OREPAs by installing management software (ACCPAC, QuickBooks, Siga, etc.) and providing technical training for its use through the mobilization of a national consultant (software will be paid through investment operations in execution); and (iv) provide professional training in water and sanitation to operating personnel of DINEPA, OREPAs and the water utilities (CTE).

4.3. The expected results are (i) the implementation of at least one supervision plan for both operations; (ii) the proper monitoring of the two ATPR contracts in execution in the water utilities of: (a) Cap Haitian, Ouanaminthe; and Port de Paix; and (b) Gonaives; (iii) the proper installation and functioning of a financial and accounting management software in at least one CTE; (iv) training of at least 50 people from DINEPA and the CTE, on gender equality issues, among others.

4.4. **Component II: Support the UTE/MEF in the execution of HA-L1106 and HA-L1143 projects.** The objective of this component is to strengthen the UTE/MEF project management’s capacities in the execution of operations HA-L1106, and HA-L1143.

4.5. This component will: (i) strengthen UTE/MEF capacities, by contracting national or international consultants, to complete technical designs and bidding documents including socio-environmental documents, and activities to improve the supervision of the works and services contracted under both projects; (ii) support the execution of HA-L1106 institutional component by providing technical assistance to SAM PROPUBLIC (French acronym for Mixed Anonymous Company) in order to improve its institutional, administrative and financial capacities as the solid waste management authority in the Northern Region; (iii) mobilize technical expertise to support UTE/MEF in the international bidding process to select PIC’s private management under HA-L1143; (iv) develop events in the Northern Region to promote stakeholders’ participation in the execution of projects, including specific women associations already active in the development of the Northern region; and (vi) perform the mid-term evaluation for HA-L1106.

4.6. The expected results of this component are: (i) the implementation of at least one supervision plan for both operations; (ii) SAM strengthened in technical, institutional and financial areas; (iii) UTE/MEF supported in the bidding process for the selection of PIC’s private operator; (iv) at least two workshops to promote stakeholder’s participation, including women associations; and (v) a mid-term evaluation and report for HA-L1106.

\(^4\) Two ATPR are being implemented to support Cap Haitian, Ouanaminthe and Port de Paix and Gonaives water utilities.
4.7. **Budget.** The cost of this TC is US$600,000, which will be financed with resources from the OC SDP Window 2 – Infrastructure (W2B) (US$250,000) and from the OC SDP Window 1 – Operational Capacity and Policy Dialogue for OC-concessional eligible countries (W1D) (US$350,000). The funds will finance firms and/or individual consultants. The following table presents the distribution of the budget:

<table>
<thead>
<tr>
<th>Activity/Component</th>
<th>IDB/W2B</th>
<th>IDB/W1D</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1: Support to DINEPA in the execution of HA-L1103 and HA-L1135 projects</td>
<td>US$150,000.00</td>
<td>US$150,000.00</td>
<td>US$300,000.00</td>
</tr>
<tr>
<td>C2: Support to UTE/MEF in the execution of HA-L1106 and HA-L1143 projects</td>
<td>US$100,000.00</td>
<td>US$200,000.00</td>
<td>US$300,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$250,000.00</strong></td>
<td><strong>US$350,000.00</strong></td>
<td><strong>US$600,000.00</strong></td>
</tr>
</tbody>
</table>

V. **Executing agency and execution structure**

5.1. The Ministère de l'Économie et des Finance (MEF) has officially requested the TC to be executed by the Bank (Annex I). The TC will be executed by the Bank through the specialists in charge of Haiti’s portfolio from the Water and Sanitation Division (INE/WSA). The IDB Country Office in Haiti (CID/CHA) will act as the Unit of Disbursement Responsibility (UDR), in charge of coordinating with DINEPA and UTE/MEF the completion of the works and the advancement of the projects. This execution strategy has already been experimented for the water and sanitation sector in Haiti, providing excellent results (i.e., ATN/OC-17939-HA was executed in a timely manner, products and results initially expected were obtained and appropriated by the counterpart).

5.2. This execution arrangement is justified under OP-619-4 Annex II as: (i) the Bank's experience in implementing technical support in the areas of water and sanitation will more effectively contribute to the achievement of the objectives of the TC, within the established times; and (iii) the need to maintain and generate a strategic dialogue for programs of this type, in which the Bank has an important role as an "honest broker" and where various interested parties could have different interests in relation to the programs and the works being financed under the four operations.

5.3. **Procurement.** The disbursement period of the TC is 36 months. Activities to be financed with this TC operation are included in the Procurement Plan Annex IV and will be executed in accordance with Bank policies and procedures as follows: (i) policy AM-650 for individual consultants; (ii) the hiring of consulting firms of an intellectual nature will be governed by the GN 2765-4 and its Operational Guidelines (OP-1155-4); and (iii) other non-consulting services in accordance with Policy GN 2303-28.

VI. **Major issues**

6.1. The main risk that could affect the implementation of the activities planned under this TC is related to (i) the context of fragility (security conditions and logistical difficulties) observed in Haiti since July 2018, that may affect the engagement and communications between the Bank, the EUs and the consultants' teams. There is a high chance that the consultants will not always be able to travel to and within the country to carry out the required tasks. To mitigate this risk, most of the tasks are
planned to be performed remotely and/or with a hybrid approach when possible.  
(ii) Another risk still in relation to fragility, is the difficulty to find qualified personnel  
(local and international) to conduct consultations. To limit this risk, the TC supervision  
team will conduct a detailed analysis of experts available in various networks in Haiti  
and in the region, it will also propose adapted terms of reference to the context  
(including duration of interventions and work modalities) and will ensure a close expert  
monitoring to guarantee their mobilization. Finally, as in any fragile context, the team  
anticipates a stop-and-go execution of the TC, moving forward as political and security  
conditions allow and pausing the work as the monitoring of conditions dictate. To that  
end, the proposed execution period is of 36 months to allow the completion of all the  
works.

VII. Exceptions to Bank policy

7.1. This TC does not address any exceptions to Bank policy.

VIII. Environmental and Social Strategy

8.1. This TC will finance support studies for the investment projects described above.  
It is expected to finance consultancies to improve the supervision of the works,  
including environmental and social aspects and complete technical designs and  
bidding documents including socio-environmental documents. The terms of  
reference and products will be consistent with the applicable requirements of the  
Environmental and Social Policy Framework (ESPF) of the four operations.

Required Annexes:

- Request from the Client_3123.pdf
- Results Matrix_23232.pdf
- Terms of Reference_5272.pdf
- Procurement Plan_32354.pdf