

INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM

DATE: December 7, 2011

TO: Eduardo Almeida
Country Representative

FROM: Michel Vallée, TSP/CHA
Aurelie Gilles, VPC/HRC

SUBJECT: *Haiti CT/Intra Application HA-T1170: Micro-entreprises in road maintenance :The Bolivian experience*

I. Road maintenance in Haiti transport sector

1.1 For several years, a significant effort for improvement has been achieved by the Haitian government in the sector of transport infrastructures, especially in road transport. Over the last five (5) years, more than six hundred and fifty (650) kilometers of roads were built or rehabilitated with an investment of several hundred million dollars. To recoup this investment, it is important that the roads at least reach the service life for which they were designed for and even a few years more. It is well known that since the demobilization of the Service d'Entretien Permanent du Reseau Routier National (SEPRRN), no systematic policy of road maintenance has been established, what caused the accelerated degradation of the road network until the creation of Fond d'Entretien Routier (FER), whose actions are limited to eligible network.

1.2 As part of the Ministry of Public Works, Transports, Energy and Communications (MTPTEC), responsible for the transportation sector, the Central Unit of Execution (UCE) is implementing, on behalf of MTPTEC, study, construction and road rehabilitation projects, financed by international donors. During the past five years, the MTPTEC achieved through the European Union (EU), over two hundred (200) kilometers of primary roads with funding from the IDB, Canadian International Development Agency (CIDA) and the World Bank. The viability of investments will be ensured only if a proper maintenance program is implemented.

1.3 The training program, involving the creation of small businesses of road maintenance, is of interest for the UCE; as it plans to implement it in the next two years, as part of the implementation of the maintenance program of the works carried out. Given the past experience, the UCE considers that this model of road maintenance has many benefits and can help make it more efficient, economical and locally integrated. Consequently, the UCE plans to implement a program to be held in three phases: a preparatory phase and training for a period of three (3) months, an operative phase of implementation for a period of eighteen (18) months and a phase transfer of skills in the last three (3) months.

1.4 The model of micro-enterprises assuring the maintenance of roads seems to be a good model of maintenance with the above mentioned broad benefits. Furthermore, it is of the interest of the UCE to learn from past experiences of similar initiatives in other countries of Latin America. Bolivia, implemented such a scheme to assure roads maintenance in the country and until now, the initiative has been successful. This CT-Intra will then, not only allow the UCE to learn from past experiences, initiate a transfer of know-how between the two countries in roads maintenance, but also settle the milestones necessary to implement the above mentioned three phases program.

II. RELATIONSHIP TO BANK'S STRATEGY OBJECTIVES IN HAITI

2.1 The CT-Intra operation is fully aligned with the Country Strategy Update (2011-2015), as per the strategic objectives of road maintenance. Understanding the importance of improving road maintenance, the "Program to Support the Development of the Transport Sector in Haiti" (PSDTH) allocates resources to carry out strategic road maintenance works throughout the country. Specific projects have not been designated yet, but the aim to which will contribute this CT-intra with lessons learned in Bolivia, is to use them not only to improve the quality of service on certain roads, but also to instill in the MTPTEC the appropriate practices to develop such projects.

2.2 This CT-Intra supporting the road maintenance project in specific, will contribute to meet the following GCI-9 lending targets: (i) small and vulnerable countries; and (ii) poverty reduction and equity enhancement, contributing to the Bank five-year program supporting the objectives of the Haitian Basic Infrastructure Rehabilitation Plan and more specifically to improve road transport by also ensuring a permanent ongoing maintenance of two hundred and fifty (250) to three hundreds (300) kilometers of roads recently built or rehabilitated.

III. CONCORDANCE WITH THE COUNTRY'S DEVELOPMENT POLICIES AND STRATEGIES

The Bank and the GoH have agreed that the Bank's projects and technical assistance in the transport sector in the next five years will focus, amongst others objectives, on improvement and consolidation of road maintenance activities, to increase the general sustainability of investments.

IV. CONFORMITY WITH BANK'S NORMS AND CONDITIONS

This CT/Intra Operation is in conformity with the Bank's norms and conditions as it will contribute to the transfer of know-how and experiences between institutions in a Bank member country, which has developed and implemented innovative educational programs based on sports, and Haitian institutions and stakeholders which are now undertaking similar initiatives.

V. PROGRAM OVERVIEW

5.1 The pilot program of ongoing maintenance envisages involving local populations in taking charge of the permanent ongoing maintenance by creating micro enterprises with a legal identity, accrediting them to set up contracts with the Haitian government through the MTPTEC. These micro-businesses will be accompanied during their training by qualified managers from the ECU. Small businesses will be accorded investments in equipment, which will to be reimbursed through the first(s) contract(s) obtained.

5.3 In order to do so in an efficient manner, it is believed that learning from the Bolivian experience will allow examining precedents and providing opportunity for:

- a) **Sharing of experiences with a similar IDB funded Road Maintenance project that is at a more advanced stage of implementation.**
- b) **Understanding the structure, composition and terms of reference of the entity charged with the oversight and implementation of the project.**
- c) **Understanding the accomplishments as well as the obstacles and problems encountered by the establishment of a Road Maintenance project in Bolivia by the Administradora Boliviana de Carreteras (ABC) and how they may be applicable to the implementation experience of the Road Maintenance Program in Haiti.**
- d) **Understanding their methods of identifying issues, arriving at a consensus as to the best courses of action and resolving conflicts. This we expect will also help to strengthen the capacity of the Haitian participants to anticipate such impediments to progress and to be able to address more efficiently, the issues related to the implementation of activities and supervision within the framework of the project.**
- e) **Understanding their current and future strategies as it relates to the Road Maintenance project.**
- f) **Creating a partnership for ongoing exchange of ideas and experiences.**

5.4 CHA has arranged for the IDB Country Office in Bolivia to facilitate this visit by assisting the Haitian participants in obtaining the necessary approvals of the local government authorities in Bolivia. Contact has been made with the Public Road Maintenance agency in Bolivia and arrangements made for meetings with the relevant managers responsible for the supervision, administration and implementation of the Road Maintenance Project.

5.5 The Bolivian Highway Administrator (ABC) will be in charge of the mission. The institution is a public entity self-sufficient under the tutelage of the Ministry of Public Works and Housing Services, with national jurisdiction, of indefinite duration, with legal personality and patrimony. The IDB Transport Specialist in Bolivia, Mr. Daniel Sossa will support the Haitian mission.

VI. PARTICIPANTS

6.1 The participants are members the Central Unit of Execution (UCE), the implementing agency, on behalf of the Haitian Ministry of Public Works, Transports, Energy and Communications (MTPTEC), responsible of the transport sector. These members of the executing agency are four (4) qualified technicians from the MTPTEC who are also managers of the Central Unit of Execution these will then be in charge of replicating the training.

6.2 The mission will travel to Bolivia for a period of seven (7) days, including travel time. Accompanying the Participants from IDB, but not funded by the TC/Intra will be: Olivia Désinor (TSP/CHA).



REPUBLIQUE D'HAÏTI

MINISTÈRE
DE L'ECONOMIE ET DES FINANCES

Le Ministre

No. **BM/BID/256/12-11**

Port-au-Prince, le **DEC 15 2011**

Monsieur Eduardo **ALMEIDA**
Représentant Résident
Banque Interaméricaine de Développement en Haïti
En ses bureaux.-

Monsieur le Représentant Résident,

Le Ministère de l'Economie et des Finances a l'avantage de vous annoncer que le Ministère des Travaux Publics, Transports, Energie et Communication (MTPTEC) souhaite lancer un grand programme d'assistance technique et financière aux micro-entreprises chargées de l'entretien routier. Dans ce cadre, il sollicite le support de la Banque Interaméricaine de Développement (BID) afin d'aider le MTPTEC à lancer le processus de formulation d'un tel projet.

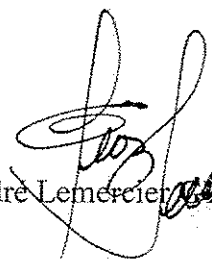
Le MTPTEC compte impliquer davantage les micro-entreprises dans l'entretien routier, souhaite mettre en œuvre, entre autres choses, à leur intention un programme de formation et également profiter des connaissances développées et accumulées par d'autres pays dans ce domaine.

Le MEF sollicite au profit du MTPTEC la mobilisation d'une coopération technique régionale d'un montant de US \$ 17 000 afin de financer une mission technique de ses cadres notamment du FER accompagnés de spécialistes de la Banque en Bolivie destinée à échanger, partager les expériences de ce pays dans le domaine de la formation des micro-entreprises chargées de l'entretien routier.

././.

Le MEF autorise à ce que ces ressources, une fois identifiées, soient gérées directement par les services de la Banque.

Il profite de l'occasion pour vous renouveler, **Monsieur le Représentant Résident**, l'expression de ses salutations distinguées.


André Lemercier **GEORGES**

Cc: M. Jacques **ROUSSEAU**
Ministre des Travaux Publics, Transports, Énergie et Communication.