**Document of the Inter-American Development Bank**



**HAITI**

**WATER, SANITATION AND HYGIENE IN URBAN, PERIURBAN AND RURAL AREAS IN HAITI'S NORTH REGION**

**HA-L1135\*\*\***

**Environmental and Social MANAGEMENT REPORT**

**(ESMR)**

November 2018

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| **ENVIRONMENTAL AND SOCIAL MANAGEMENT REPORT (ESMR)** | |
| **Operation Name:** | WATER, SANITATION AND HYGIENE IN URBAN, PERIURBAN AND RURAL AREAS IN HAITI'S NORTH REGION |
| **Operation Number:** | HA-L1135 |
| 1. **Operation Details** | |
| **IDB Sector** | Water and Sanitation (INE/WSA) |
| **Type of Operation** | Investment Loan (LON) - Global of Multiple Works (GOM) |
| **Environmental and Social Impact Categorization** | B |
| **Disaster Risk Rating** | Moderate |
| **Borrower** | Government of Haiti (GoH) |
| **Executing Agency** | DINEPA (*Direction Nationale de l´eau potable et de*  *l´assainissement*) |
| **IDB Loan US$ (and total project cost)** | 125 million |
| **Applicable Policies/Directives** | OP-102; OP-704; OP-761; OP-703 (B.1, B.2, B.3, B.4, B.5, B.6, B.7, B.9, B.10, B.11, B.17) |
| 1. **Executive Summary** | |
| In compliance with the Environmental Safeguards Policy OP-703 and following the results of the Environmental and Social Analysis for the sample projects, this operation has been classified as Category B because the negative impacts are expected to be moderate and transitory, mostly during the construction phase (dust, noise levels, soil contamination, erosion and potential sedimentation, traffic disruption, potential for accidents). In addition, during operation phase other impacts might take place in soil and groundwater for which environmental and social management plans have been prepared.  The proposed operation is designed as a Global of Multiple Works (GOM), and as such a sample that includes the urban (Cap-Haitien) and rural interventions *(Mapou* and *Bas Quartier*) have been assessed through the preparation of an Environmental and Social Assessment (ESA), including a Livelihood Restoration Plan. None of the projects analyzed in the sample include Involuntary Resettlement.  The operation is not expected to create physical displacement, however given that the location of projects outside the sample is unknown, mitigation measures have been included in the Environmental and Social Management Framework (ESMF) through a Livelihood Restoration Framework (LRF).  Along with the LRF, the ESMF includes a Grievance Mechanism for projects out of the sample and provides guidelines to ensure compliance with environmental and social safeguards requirements during the preparation of future projects and the execution of the entire operation. This ESMF will be integrated into the Operating Regulations (ROP) of the operation.  To guarantee adequate preparation, supervision and socio-environmental reporting of the projects financed by the project, the regional office of the DINEPA (*Office Régionale de l’Eau Potable et de l’Assainissement* or OREPA) will have an Environmental, Social and Health and Safety (ESHS) governance structure in place consisting at minimum of one environmental and one social specialist.  The urban and the rural ESAs, including their respective Environmental and Social Management Plan (ESMP) and Livelihood Restoration Plan (LRP) and ESMF for the project, have been published on the Bank's website prior to the analysis mission. The consultation process was completed on October 15th through a cascade methodology. The Consultation report was prepared, and the questions and concerns were addressed and incorporated in the ESAs, as well as the ESMF. | |
| 1. **Operation Description** | |
| The objective of the project is to improve the conditions of the rural and urban population of Northern Haiti through: (i) the improvement of drinking water, sanitation and hygiene practices in the urban inhabitants; and (ii) improvement of the water, sanitation and hygiene practices of the inhabitants rural areas, through three components:  **Component I: Improvement of technical and commercial management and works of rapid impact on drinking water and sanitation companies (US$ 10.05 million).** The component will include the following: (i) structuring and implementation of an Public-Private Partnership (PPP) for the Cap-Haitien water company; (ii) the update of the client cadastral information; (iii) acquisition of domiciliary connections; (iv) small extension and densification of networks; (v) acquisition of materials for the measurement of production; (vi) a scheme of small amount PPPs to improve the management of excreta; (vii) communication campaigns to improve transparency and increase in the number of clients. The main impacts and risks of this component are related to the new networks and domiciliary connections.  The PPP model foreseen in the case of the city of Cap-Haitien is a contract for results where professionals will occupy positions of responsibility of the company (director of the company, technical director, human resources) while conducting staff training locally. Additionally, there will be technical support to support all the CTEs (*Centre Technique d’Exploitation*)[[1]](#footnote-2) in Haiti, aimed above all at increasing the number of customers and their financial sustainability.  **Component II: Priority investments in potable water, sanitation and hygiene in urban areas of northern Haiti (US$ 90.7 million).** This component will finance: (i) the construction of storage tanks and drinking water networks; (ii) works to strengthen the production of drinking water (iii) domiciliary connections and condominial networks and kiosks in marginal areas; (iv) behavior change campaigns to improve hygiene practices; and (v) the adequacy of sanitation facilities and hygiene in schools, markets, health centers[[2]](#footnote-3). Please see Appendix 1 to see the sample for the network location of the urban sample. The potable water in the city of Cap-Haitien (US$ 48 million) will optimize existing infrastructure focusing on the construction of networks of supply (256 km) to reach a total number of beneficiary households close to 50,000. The rest of the infrastructure will be directed to works of urban supply like those of Cap-Haitien.  The main impacts and risks of this component are related to the construction of the new storage tanks, networks and connections in the urban areas of northern Haiti.  The sample projects of this component consist of the following: i) Rehabilitation of two of the four existing boreholes in *Balan*; ii) Construction and equipment of two new boreholes in the *Balan* area[[3]](#footnote-4); iii) The search for a catchment field at *Quartier Morin* and the perforation of two new holes in the same area; iv) The potential rehabilitation of existing reservoirs in *Bel Air* area, and v) The distribution network at the downtown, *Petite Anse* and *Haut du Cap* in *Cap Haitien*[[4]](#footnote-5). [[5]](#footnote-6)  **Component III: Priority investments in potable water, sanitation and hygiene in rural areas of northern Haiti (US $ 14 million).** This component will finance the following: (i) source protection and rehabilitation of small rural aqueducts by gravity; (ii) construction and rehabilitation of wells with manual pumps; (iii) communication and marketing campaigns to improve access to sanitation and hygiene; (iv) the adequacy of sanitation and hygiene facilities in schools and health centers; and (v) support for improving the capacities of rural units decentralized services of the DINEPA (URD). The main impacts and risks of this component are related to the small construction works for the aqueducts and wells in the rural areas of northern Haiti.  For this component, a sample has been selected of interventions in *Mapou (Plaisance)* and *Bas-Quartier (Port Margot)* (see Appendix 1). The interventions will include: i) The rehabilitation of existing systems in *Mapou*, ii) Construction of boreholes with Pumps with Human Motricity (PMH) in *Bas-Quartier*, iii) Hygiene and promotion campaigns for the construction of latrines in both areas.  **Project management and administration (US $ 10.25 million).** The project will finance the unit of execution that will be located in the North Regional Office of DINEPA - OREPA and that will have technical staff, including at minimum two for the ESHS structure: one environmental and one social specialist dedicated the project. | |
| 1. **Key Impacts, Risks, and Mitigation Measures** | |
| **Assessment Requirements and Information Disclosure** | |
| The proposed operation is designed as a Global Multiple Works project and therefore during the project preparation, the ESAs were prepared for the urban and for the rural sample projects and an ESMF was prepared for the projects outside the sample.  The details of disclosure and their links are included as follow:   |  |  |  | | --- | --- | --- | | **ESHS Assessment** | **Date of disclosure (based on Convergence)** | **Link** | | Environmental and Social Analysis (ESA) for urban sample[[6]](#footnote-7) | 19th of September 2018 – prior analysis mission  6th of November - Final version | https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-5  <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-11> | | Environmental and Social Analysis (ESA) for the rural sample | 19th of September 2018 – prior analysis mission  6th of November - Final version | <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-6>  <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-12> | | Environmental and Social Management Framework (ESMF) | 19th of September 2018 – prior analysis mission  6th of November - Final version | <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-4>  <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-14> | | Geological Hazard risk Assessment (DRA equivalent) | 6th of November 2018 | <https://www.iadb.org/Document.cfm?id=EZSHARE-66036024-13> | | |
| **Consultation and Stakeholder Engagement** | |
| The consultations for the sample projects took place over a two-week period with meetings starting on October 2nd and finishing on October 15th through a cascade methodology. The methodology consists of the organization of a meeting with the presidents and a member of the CASEC (*Conseil d’Administration de la Section Communale*) of each of the three communal sections of Cap Haitien: Cap Haitien, Quartier Morin and Limonade. This meeting is the first level of commitment.  At the end of this meeting, each of the CASECs was asked to organize a meeting in their own communal section with the leaders of their area for 10 people. These meetings constituted the second level and are animated by the CASEC with the support of the OREPA Nord. This second meeting took place for 2 communes (*Bande du Nord* and *Haut du Cap*)  The documents were disclosed on the Bank’s website prior to the beginning of consultation.  Groups specifically targeted for the Cap-Haitien water distribution project (the largest project of the sample) included women’s groups, business owners, local leaders, NGOs, vendors in the market. There were also consultations for the rural project areas included in the sample (*Mapou - Plaisance* and *Bas-Quartier – Port Margot*). The consultations were carried out by two representatives of OREPA with the help of an external consultant.  The communication strategy to reach out the stakeholders included letters; phone calls and personal follow-up was conducted to ensure the stakeholders were aware and could participate in the consultations.  The majority of the events were carried out in Creole with presentation written in French. Minutes of the question and answer session and attendance lists were taken of the consultations to document the process and were included in the final report submitted by OREPA.  The discussion of the grievance mechanism was a focus point for each presentation, with a description of how a complaint will be processed and where a compliant can be filed.  The affected parties will be kept informed during the operation’s execution through different communication mechanisms including radio messages and the implementation of a “*Comité de Pilotage*” that will meet to discuss the progress and any major updates/changes. As of now there are representatives from women’s group, the mayor’s office, and the large hotels in town that were identified during the consultations process.  Based on the above description, the overall consultation process was deemed meaningful. Additional consultations will be conducted as other projects outside the current sample move forward. | |
| **Environmental and Social Impacts and Risks and Mitigation Measures** | |
| The operation has been designed as a multiple works project, for which the sample includes urban water and sanitation interventions in Cap-Haitien and peri-urban and rural areas in Northern Haiti. For the rural sample the communes will be selected according to the selection criteria mentioned in Section 3. Given the scale of infrastructure of the project and expected environmental, health and safety and social impacts, the project has been classified as Category B.  The following section describes the expected impacts of the project sample during construction and operation phases, respectively:  **Construction Phase**  For the **urban sample** in Cap Haitien, the following potential impacts were identified: impacts on air quality resulting from emission of particles, as well as gas emission, generation of bad odors related to the accumulation of waste and residual water, and noise relating to machinery and equipment.  Impacts from changes in soil structure due to excavation works: erosion, compaction, slope stability, collapse or settlement of soil, pollution risks due to the operation of equipment using petroleum fuels and the use of chemicals. Impacts on water due to risk of water pollution by increasing the production of stream sediments and by hydrocarbon leakage, alteration of ditches and gullies, risk of groundwater pollution (excavation and hydrocarbon leakage, abandonment of old boreholes).  Potential impacts on flora, fauna and aquatic ecosystems due to alteration of existing vegetation cover, changing the quality of environment by increasing levels of noise, vibration and generation of particulates and gases. There is also potential alteration of the local aquatic background by changing turbidity levels, vibrations and possible hydrocarbon leaks.  Other community and social impacts identified: alteration of landscape and daily activities of the inhabitants, traffic disruption caused by the laying of the pipes that will take place on the roads, especially in the urban center[[7]](#footnote-8); influence on the drainage system and residual water and potential accidents. Potential tensions related to local employment and other reasons (delays, lack of communication, etc.) and potential temporary disruption of small home businesses and informal vendors.  There can be additional impacts on workers and the community regarding occupation health and safety, especially if there is poor management of the site. Workers will need to wear proper PPE to help reduces risks, there should be proper signage and training regarding worker and community safety.  As for the **rural sample**, in *Plaisance* and *Port Margot*, the following impacts are expected:  Impacts on soil include potential soil degradation due to generation of waste by the people working on the site (solid and liquid waste), removal of vegetation layer, excavation of trenches, accumulation of materials, excavation products and preparation of new materials, management, transportation and/or disposal of surplus material.  Additionally, discharge of excess debris and material after excavation, presence of vehicles and/or construction equipment for transport and for the execution of works, generation of used oil from heavy machinery and equipment and possible spills of stored chemicals can also be expected. Variation of the current drainage of the areas affected by the project and construction of temporal drainage system are also risks being considered.  Other impacts and risks include: generation of bad odors related to the accumulation of waste and residual water, noise relating to machinery and equipment, changes in soil structure due to excavation work: erosion, compaction, slope stability, collapse or settlement of soil. Pollution risks due to the operation of equipment fuels and chemicals, risk of water pollution by increasing the production of stream sediments and by hydrocarbon leakage are also expected. Modification of river flows by source capture or major pumping can occur.  Risk of groundwater pollution (excavation and hydrocarbon leakage, abandonment of old boreholes) and alteration of existing vegetation cover during construction. Impacts on the local aquatic background by changing turbidity levels, vibrations and possible hydrocarbon leaks are also expected.  Other community and social impacts were identified: alteration of landscape during construction and daily activities of the inhabitants, traffic disruption caused by the laying of the pipes will take place on the roads, influence on the drainage system and residual water, potential accidents during construction. Potential tensions related to local employment during the construction phase, protest during construction for reasons other than employment (delays, lack of communication, etc.), potential temporary disruption of small home businesses.  As with the urban projects there can be risks and impacts regarding occupational health and safety. To address these impacts the ESAs for the urban and rural samples include the minimum lists of management plans to be developed by the contractor, which are described in detail in the Pollution sub-section.  **Operation Phase**  For the **urban and rural sample**, potential impacts and risks include:   * Collapse or settlement of soil, risks of saline intrusion, decrease of the groundwater resource and impacts on other activities related to this resource (agricultural, industrial), alteration of ditches and gullies. Influence on the drainage system on rain water system and residual water could also occur. * Degradation of the quality and quantity of the groundwater resource by pumping in the Balan aquifer (saline intrusion and lowering of the water table[[8]](#footnote-9)) and contamination by superficial pollution sources (latrines, septic tanks). Additional discharge of greywater into the surface waters, roots and rainwater network and potential decrease river levels by pumping and groundwater drawdown.   The enhancement of water access will also reduce the need to engage with water truck providers, as before the project. In the medium to long term these providers will be affected in urban and peri urban areas.  Positive impacts during operation, indicators of health on the population that live in the project area of influence of the project, increase of coverage of potable water.  There could be potential impacts on the water service access, if the protection perimeter of the source or borehole is not respected. Other risks include: land disputes regarding location of cisterns, pipes, kiosks, and wells, improper management of water supply for different users, poor management of drainage water from water points (stagnant water), stitching and deterioration of the network and poor management of the network/water point.  For the **rural sample** the wells in rural areas and gravity pumps will be operated by the *Comité de Pilotage*, which will be formed by different stakeholders: women associations, municipality, OREPA, among many others. During the execution of the project NGOs will be engaged to design the roles and responsibilities of the *Comité de Pilotage* and train them on their responsibilities.  **Biodiversity/Natural Habitat/Critical Natural Habitat**  The projects in the urban sample are not located in critical natural habitats or natural habitats. However, as stated in the ESA both projects of the rural sample are in Key Biodiversity Areas (KBA), and although the proposed scope of works of the intervention in rural areas are not significant – rehabilitation of existing wells -, the ESA included a Biodiversity Management Plan during the construction works to minimize the impacts. Some of the measures include in the plan are: construction activities close to high sensible biodiversity areas are not allowed, activities such as mixing concrete and storing material must only be done on areas already converted to human use; specific measures on how water and sediments will be disposed.  The Biodiversity plan will include specific measures in case the impacts are extreme and there is need of rescue and relocation of fauna.  **Cultural site**  The projects included in the sample didn’t find any disruptions of cultural sites or archeological sites in its proximity; however, as a preventive measure, a chance find procedure has been included in the ESMF in case there is a discovery in any of the non-sample projects to be financed.  **Pollution**  As mentioned above, potential sources of pollution in air, soil, water due to construction and operation activities have been identified, if the activities are not well managed. The Environmental and Social Management Plans (ESMP) must include all the following plans:  i) Workforce management plan, ii) Occupational, health and safety plan, iii) Waste management plan, iv) Management plan for erosion and surface water, v) Management plan for hazardous materials and spill prevention, vi) Traffic management plan, vii) Emergency preparedness and response plan related to natural hazards, viii) closure plan, ix) Restoration plan for livelihoods during the construction works (only if preventive measures don’t work), x) Chance find procedure, in case of any archeological finding.  During the operational phase, the following plans should be put in place by the operator: communication and grievance mechanism, water resources protection plan, which includes measures such as: ensure the respect of the protection perimeter of the source and the drilling; ensure the hygiene of water points (good drainage, avoid stagnant water); promote hygiene and latrine construction. Other management plans include the management plan, workforce management plan, occupational, health and safety, waste management plan, hazardous management plan and spill management plan, traffic management plan, and emergency response plan.  Is important to mention that for the rural interventions, there will be micro-operators based on a pilot committee (*Comité de Pilotage*) consisting on the following members: female associations, municipalities, the OREPA, the Universities, and others. They will be trained by Non-Governmental Organizations (NGOs).  **Indigenous Peoples**  There are no in indigenous peoples affected by this project.  **Physical displacement - Involuntary Resettlement**  The urban and rural sample of projects do not show any case of involuntary resettlement. However, given that the broader scope of works for the future, the ESMF included a Resettlement framework, in case future interventions affect a small number of people[[9]](#footnote-10).  **Economic displacement - Livelihoods**  Based on the analysis of projects for the urban sample, the project will likely affect the economic livelihood of two different groups during the project phases:  During construction, **informal vendors** might be affected due to works to be conducted in the densely packed Cap-Haitien market. This impact has been covered in the ESA because the study has been done for the integral project, but as stated before this area of the intervention will be covered by the Spanish Agency of International Development (AECID). To avoid temporary impacts on vendor’s economic activities two strategies have been proposed:   * Conduct works outside of market hours (in the evenings) * Move vendors to one side of the market while works are conducted on the other side.   If works cannot be carried out in a timely manner (over three weeks) and vendors are affected, a LRF has been prepared. The compensation measures are exceptional as works are expected to be conducted in an effective and timely manner. Compensation measures will only be collective in nature and **will NOT be the subject of direct financial compensation**.  During operation, **water trucks owners and operators[[10]](#footnote-11)** could be potentially affected in the medium to long term. The future network will likely create strong competition for this service. As such a LRP which includes specific mitigation measures for this group has been prepared and consulted and includes the following measures: Relocation of services to other areas that have water demand and are not currently served, and conversion of trucks to other economic activities such as cement trucks, or others. The project will support the implementation of these measures.  The future projects have a risk of economic displacement regarding the placement of the reservoir and new wells. As part of eligibility criteria under the Operating Manual, it will be stated that these locations would need to meet the following criteria: i) Should not affect more than 10 people directly or indirectly affected (and it they are affected they need to be compensated adequately (not with cash) as per the livelihood restoration plan for the sample projects, ii) For future sub-projects a thorough analysis needs to be done (such as the elaboration of an ESIA, livelihood restauration plan, hydrological studies which also include monitoring aspects).  **Gender and Vulnerable People**  The project is expected to have positive impacts on women and childrens’ health and quality of life. Women and children are largely tasked with the responsibilities are collecting household water and it is expected that they will partner with them as micro-operators, especially for the condominial solutions, and be part of the *Comité de Pilotage*. In addition, as part of the project there will be a focus to train women as plumbers.    The project has a strong component in behavioral changing related to the improvement of hygiene practices, which will be strongly focused on women. They will benefit from closer accessibility to water and latrines.  Construction activities could have negative impact on women, particularly women vendors due to the accumulation of debris and the presence of male workers. As such contractors will be asked to submit a code of conduct that address the proper treatment of women in children in and around construction areas.  The ESMP addresses specific measures to ensure that women can express their opinions during the consultation activities and the implementation of the project. These include consulting with local women’s organizations to obtain their recommendations on ensuring the safety of women during the construction activities and the hiring and training of women for employment during and the construction and implementations phases.  **Disaster Risk**  The operation has been classified as moderate risk for Type 1, given the location of the project and its exposure to natural hazards. For Type 2 disaster risk, there is the potential for moderate exacerbation of risks, if adequate design is considered, especially for the rehabilitation of existing reservoirs.  A Geological Hazard Risk Assessment has been developed for the urban sample and for the rural sample. This study covered the most important hazards that affect the project interventions: seismic risk, flooding risk, slope stability (landslide), flood and erosion and tsunami risks. One finding of the study is that the two existing reservoirs are in a fault area; however, the study provides recommendations regarding the project design: design for redundancy and for rapid service recovery for the network, as well as the use of materials, technologies and best practices when building the network.  As for the rehabilitation of reservoirs, the study recommends that an in-depth structural, geological and geotechnical analysis be performed to direct next steps related to the feasibility, costs and preferred design/construction solutions to reinforce and rehabilitate the existing reservoirs, given the identification of a potential fault zone beneath the site.  Both ESAs for urban and rural sample, include a section of Disaster Risk Management Plan (DRMP) based on the conclusions of the Geological hazard Assessment. The plan includes measures for construction and for operation, for the network and the rehabilitation of the reservoir. The DRMP also feeds the Emergency Response Plan. The mitigation measures proposed have been included as part of the ESA that will be presented during the round of consultations.  **Capacity of executing agency/beneficiary**  DINEPA has satisfactorily managed several operations with the Bank, however this is the first time that most of execution of works will be carried out by its regional agency – OREPA. Given that OREPA’s capacity needs to be reinforced and to prevent potential risks related to insufficient capacity to manage environmental and social risks, OREPA has already engaged a dedicated social specialist for the project and an environmental specialist is in the process to be hired by the agency. The administrative component will designate resources to support the capacity of OREPA during project execution, with this ESHS government structure in place, the project is expected to meet adequate compliance with national regulations and the IDB safeguard policies.  **Context**  The project will be developed in both urban (*Cap Haitien*) and rural areas in Northern Haiti. *Cap Haitien* is the second most important city in Haiti, with 400 thousand people (68 thousands of households), of which 28% of the population lives in slums. 59% percent of Haitians live below the poverty line (U$ 2.41 per day). A household in average spends  1,253 HTG in water (approximately $20).  In rural areas, the context is worse. Considering geographical proximity, 79.4% of the population live more than 500 meters from a well, and if additional criteria is considered such as the reliability, the continuity of service for at least 6 hours per day of and during the entire year.  As explained above the scope of infrastructure works is relatively limited, most of the intervention involves small works aside of the water network. One additional risk is social unrest in the area, although the risk is relatively lower than Port-au-Prince.  **Other Impacts and Risks**  The operation will not have co- financing, however, the AECID will be working on a project of Water and Sanitation that will finance a section of the water network in the urban area of *Cap Haitien*, as well as other activities related to sanitation. The details of the scope of works of the network in Cap are included in Appendix 1 – Urban Sample.  After meetings of the IDB project team and the AECID team, some measures have been taken to prevent risks. Given that the area of the network intervention of AECID is the densest in terms of informal vendors (the most important market located in the area), it was agreed during the analysis mission that as a mitigation measure, the IDB - Haiti Country Office will be sending a letter of adherence to the AECID, so they will adhere IDB safeguard policies for this project. The implementation and coordination will be followed up on during the supervision missions.  An agreement among AECID, the DINEPA and the IDB agreeing on E&S standards for the integral project will be ready prior to OPC.  With regards to the interventions in Small sanitation facilities, the project will work them as a pilot, in the same way that other NGOs in intervention are working – through compost. Given that they are pilots, at this point they are not expected to be connected to sewerage system or septic tanks and the impacts are minimal. Recommendation on this intervention of the project are included in the ESMF. | |
| **Supervision and Execution** | |
| The ESA provides the supervision arrangements that should be in place during the project execution. The Technical Executing Unit within OREPA Nord will be responsible for the supervision during construction works and operation, which is the first layer of supervision in the project, for which a social specialist and an environmental specialist will be in place.  The responsibilities of the ESHS team have been established in the ESMF, as they will be supervising the environmental and social aspects of the operation. The ESMF includes a template and checklist for supervision, as well as the timing for supervision reporting.  As stated in the ESMF, a second layer of supervision (external) will be in place when needed to ensure that the operation is in full compliance with ESHS requirements, especially for the works at the urban area because the significant size and scope of works. The budget for supervision is included as part of the Administrative budget.  In addition, the IDB will supervise the operation based on its environmental and social impacts and risks; this supervision can include site visit, monitoring visits by external consultants and desk reviews of document. | |
| 1. **Environmental and Social Requirements** | |
| To meet the requirements of the Bank’s Environmental and Social Safeguard Policies, the GoH/DINEPA will comply to the satisfaction of the Bank with the ESHS contractual terms and conditions set forth in Annex B. These terms and conditions can only be modified with the prior written consent of the Bank, including clearance by ESG. These include (i) standard conditions for implementation of the ESHS Plans and measures as well as reporting and supervision requirements; (ii) conditions that address key risks and impacts; (iii) conditions to be included in the Operating Manual; (iv) definitions. These conditions and definitions will be incorporated into the Grant Agreement and as such the Beneficiary is legally bound to comply with these conditions. | |
| 1. **Summary of Compliance with IDB Safeguard Policies** | |
| Please see Compliance Table – Annex A. | |

**Annex A. Summary of Compliance with IDB Safeguard Policies**

| **Policies / Directives** | **Compliance Status and Rationale with Policy / Directive Requirements** | **Requirements / Actions / Plans / Timing** |
| --- | --- | --- |
| **OP-703 Environment and Safeguards Compliance Policy** | | |
| B.2 Country Laws and Regulations | **Compliance achieved for the preparation phase and to be maintained during implementation.**  During the preparation, the project has identified the Haitian National regulations that are applicable for the project but will only be triggered once the operation starts execution. | During the execution, the project will follow all the applicable laws and reguations including those related with the *Bureau national des évaluations environnementales* (BNEE): *Les Cadres et Plans de Gestion Environnementale et Sociale* (CPGES); *Les Cadres et Plans de Réinstallation et de Compensation* (CPRC*); Les Études d’Impacts Environnemental et Social* (EIES); *Les Audits Environnementaux et Sociaux* (AES); *La Participation Publique* (PP); the *Code du Travail* from 1961, and the relevant Haitian law and regulations. |
| B.3 Screening and Classification | **Full compliance achieved.**  The project has been classified as Category B. | No action is required. |
| B.4 Other Risk Factors  (Parallel Financing) | **Compliance achieved for the preparation phase and to be maintained during implementation.**  The AECID has a water and sanitation project that will finance part of the network in Cap-Haitien, the area of intervention is the market area with significant density of market vendors. | The AECID will sign a letter to accept adherence to IDB policies for the water and sanitation project. DINEPA needs to follow up and ensure application of them during construction and operation. |
| B.4 Other Risk Factors (Institutional Capacity) | **Compliance achieved for the preparation phase and to be maintained during implementation**.  The Executing Unit in OREPA needs to be reinforced with an environmental and social team. At this time, they have hired a social specialist and finalize recruitment prior to first disbursement of an environmental specialist to monitor the project activities. | A condition prior to first disbursement is have the ESHS governance structure in place. |
| B.5 Environmental Assessment and Plans Requirements | **Full compliance expected before Board approval**  Given that the project has been designed as a multiple works, an Environmental and Social Analysis (ESA) was prepared for the rural and the urban sample projects including an ESMP.  An Environmental and Social Management Framework (ESMF) was prepared for the projects under the project that don’t belong to the sample. | The final versions of the ESAs including ESMPs for the rural and urban sample projects must be prepared and disclosed prior to OPC distribution, those versions must include findings from series of consultations with affected stakeholders.  In addition, if needed, the report of consultation must feed the ESMF. If so, it should be disclosed prior to OPC. |
| B.5 Social  Assessment and Plans Requirements (including Livelihood Restauration Plan[[11]](#footnote-12)) | **Compliance achieved for the preparation phase and to be maintained during implementation**.  The ESA for the urban sample has been prepared for all the integral project, and as such it contains the Livelihood Restoration Plan (LRP) that will be activated in case the preventive measures in place are not followed by the contractors. The LRP has been essentially designed for the area of intervention in the market, which is not subject to IDB financing.  For future sub-projects a RF and LRF have been prepared. | The final versions of the ESAs and ESMPs including the LRPs for the rural and urban sample must be prepared and disclosed prior to OPC distribution, those versions must include findings from series of consultations with affected stakeholders.  AECID to send response letter of adherence to IDB policies. |
| B.6 Consultation (including consultation with affected women, indigenous persons, and/or minority groups) | **Full compliance expected before Board approval**  Round of consultations were completed from October 2nd to the 15th. The outcomes of the round of consultations will be included in a Consultation report that will be included in the final version of the ESA | OREPA to provide a consultation report to be incorporated in the ESA versions prior to OPC.  OREPA to commit to comply with the requirements regarding Stakeholder engagement during the project execution according to the legal requirement of the Operating Manual.  OREPA to include in the bidding documents of the operator a grievance redress mechanism. |
| B.7 Supervision and Compliance | **Compliance achieved for the preparation phase and to be maintained during implementation.**  The ESMF established the structure and mechanism for supervision, as well as the tools and frequency for OREPA to supervise the works. | A condition prior to first disbursement: ESMF (including the section of Supervision) to be adopted in the Operating Manual. |
| B.8 Transboundary Impacts | **Not Applicable** | - |
| B.9 Natural Habitats | **Compliance achieved for the preparation phase and to be maintained during implementation**.  The urban sample does not include projects located in natural habitats, however the projects selected for the rural sample at *Mapou* and Bas *Quartier* cross key biodiversity areas (although not in designated protected areas). | A Biodiversity Management Plan is included in the ESMP and will be included as part of ESMF for the construction phase. It is assumed that the operation phase will not have additional impact on key the biodiversity areas. |
| B.9 Invasive Species | **Not Applicable** | - |
| B.9 Cultural Sites | **Compliance achieved for the preparation phase and to be maintained during implementation**.  Although this directive was not triggered by projects of the sample, as a preventive measure the ESMF contains a plan of Chance finds procedure. | For projects outside the sample, and in case there is an archeological or cultural site found, the contractor must follow the Chance Finds procedure included in the ESMF. |
| B.10 Hazardous Materials | **Compliance achieved for the preparation phase and to be maintained during implementation**.  The project triggers this directive during construction works when machinery and other equipment will be located in the project sites (urban and rural), which might result in spills or other consequences. | To prevent and mitigate this impact, the ESMP for construction and operation will need to include a Hazardous material and spills prevention plan. |
| B.11 Pollution Prevention & Abatement | **Compliance achieved for the preparation phase and to be maintained during implementation**.  As stated above in Section 4, the operation has the potential of causing temporary negative environmental impacts in soil, air, and surface and groundwater (resulting from construction works – potential risks of spills, noise and traffic from the transportation of materials). | To mitigate those impacts, an ESMP for Construction must be prepared by the Construction firm and submitted to the IDB (based on the ESMP of the ESA). OREPA is responsible for the inclusion of all relevant E&S management plans in the bidding documents. |
| B.11 Pollution Prevention & Abatement | **Compliance achieved for the preparation phase and to be maintained during implementation**.  During operational phase additional impacts have been identified: such as the potential groundwater and surface water pollution, impacts on local employment, occupational, health and safety, solid waste Management Plan for Hydrocarbons, Hazardous Materials and Spill Prevention; for which mitigation plans have been included in the ESMPs. | The ESA includes Management plans (ESMPs) to address each of the impacts identified.  The OREPA is responsible for the inclusion of all relevant E&S management plans are in the bidding documents and for the contractor’s work, including the ESMPs during Operation phase.  The OREPA is responsible for the inclusion of relevant ESHS management plans in the contract with the operator. |
| B.12 Projects under Construction | **Not Applicable** | - |
| B.13 Noninvestment Lending and Flexible Lending Instruments | **Not Applicable** | *-* |
| B.14 Multiple Phase and Repeat Loans | **Not Applicable** | *-* |
| B.15 Co-financing Operations | **Not Applicable** | *-* |
| B.16 In-Country Systems | **Not Applicable** | *-* |
| B.17 Procurement | **Compliance achieved for the preparation phase and to be maintained during implementation**  Bidding documents environmental and socially responsible. | Environmental and Social requirements shall be included in the bidding documents and in contracts with construction firms and operators. |
| **OP-704 Natural Disaster Risk Management Policy** | | |
| A.2 Analysis and, if necessary, management of Type 2 risk[[12]](#footnote-13) scenario | **Compliance achieved for the preparation phase and to be maintained during implementation**  The operation has been classified as moderate risk for type 1. The project team carried out a Geological Hazard Assessment for the projects included in the urban sample, and some of the recommendation and conclusions were included in the ESA through the Disaster risk management plan and the Emergency Response plan. Type 2 risks are also present; although a fault was found to go through the location of the current reservoirs, if the project design considered the recommendations, the is no substantial risk of exacerbation of the risk. | Contractor must follow the design recommendations included in the study, and during construction and operation phases the contractor must follow the Disaster Risk Management Plan (DRMP) and the Emergency Response Plan (ERP). |
| A.2 Contingency planning in case of emergencies (Emergency response plan, Community health and safety plan, Occupational health and safety plan) | **Compliance achieved for the preparation phase and to be maintained during implementation**  Recommendations of the Geohazard study included in the ERP and DRMP. | OREPA is responsible to include the recommendations from the ERP and DRMP in the bidding documents. |
| **OP-710 Operational Policy on Involuntary Resettlement** | | |
| Resettlement Minimization | **Not Applicable**  None of the projects of the sample include physical displacement / involuntary resettlement. | - |
| Impoverishment Risk Analysis | **Not applicable** | - |
| Resettlement Plan and/or Resettlement Framework Requirement[[13]](#footnote-14) | **Compliance achieved for the preparation phase and to be maintained during implementation.**  Although the projects in the sample do not trigger the involuntary resettlement policy, as a preventive measure, a resettlement framework has been included in the ESMF. LRPs and a LRF have also been prepared to mitigate any economic displacement as mentioned above. | Projects not included in the sample must follow the Resettlement Framework in case there is need for resettlement in any of the future works.  A condition for eligibility is to not affect more than 10 people, in case resettlement is needed. |
| Resettlement Plan Consultations | **Not applicable** | - |
| **OP-765 Operational Policy on Indigenous Peoples** | | |
| Sociocultural Evaluation Requirement | **Not applicable** | - |
| Good-faith Negotiations and proper documentation / agreements with Affected Indigenous Peoples | **Not applicable** | - |
| Indigenous Peoples Compensation, and Development Plan or Framework requirement | **Not applicable** | - |
| Discrimination and/or Exclusion Issues | **Not applicable** | - |
| Transborder Impacts | **Not applicable** | - |
| Impacts on Isolated Indigenous Peoples | **Not applicable** | - |
| **OP-761 Operational Policy on Gender Equality in Development** | | |
| Consultation and effective participation of women and men | **Full compliance expected before Board.**  During the preparation of the project and during the consultation process, woman’s groups have had a very active role and will be part of the *Comité de Pilotage*. In fact, the project is expected to provide work opportunities for women as they will be engaged as micro-operators for condominium services and woman will have priority access to plumber technical training. | Consultation report must be submitted by OREPA and included in the ESA results. |
| Gender equality risk[[14]](#footnote-15) analysis | Not applicable. | - |
| **OP-102 Access to Information Policy** | | |
| Disclosure of relevant Environmental and Social Assessments[[15]](#footnote-16) Prior to Analysis Mission, QRR, OPC and submission of the operation for Board consideration[[16]](#footnote-17) | **Full compliance achieved and expected before Board approval.**  All relevant documents have been disclosed prior to the Analysis mission and their final versions will be disclosed prior OPC. See section 4- Assessments and information disclosure. | The final versions of the ESA and the ESMF must be disclosed prior to OPC. |
| Provisions for Disclosure of Environmental and Social Documents during Project Implementation | **Compliance achieved for the preparation phase and to be maintained during implementation.**  As a multiple works project the ESMF contains provisions regarding disclosure of information for the projects out of the sample. | The Executing Agency will be responsible for the disclosure of all relevant studies and management plans of projects outside the sample, with support from IDB |

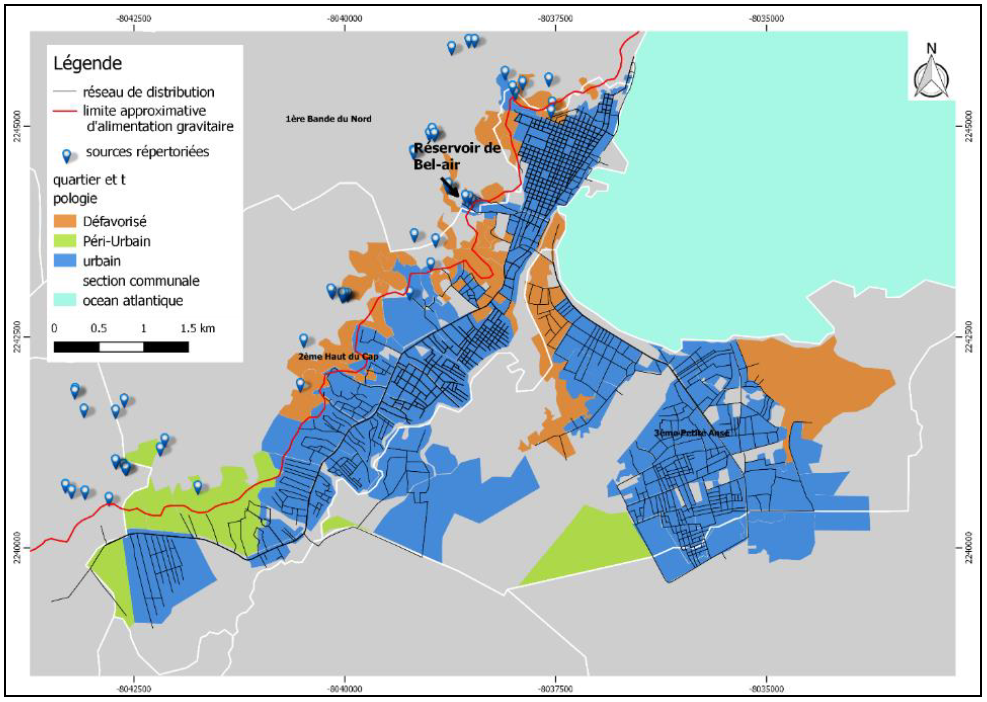
**Annex B. ESHS Legal Requirements**

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| **A. General Clause to be incorporated in the Special Conditions** |
| The Beneficiary agrees to design, build, operate, maintain, and monitor the Project, directly or through the Executing Agency or through every other contractor, operator or any other person performing Project related activities in accordance with the environmental, social, occupational health provisions provided for in the Operation Regulations – through the Environmental and Social Management Framework, the Environmental and Social Analysis (EAS), Environmental and Social Management Plans and the Livelihood Restoration Plan (LRP) for the urban and for the rural sample as well as through the Environmental and Social Management Framework, Resettlement Framework and Livelihood Restoration Framework for the future subprojects. |
| **B. Specific Clauses to be incorporated in the Special Conditions** |
| * + - **Conditions for Disbursements of the Grant.**   Conditions prior to first disbursements  a) The Beneficiary, through the Executing Agency shall present evidence that that the following ESHS Plans, in the terms agreed upon with the Bank, are completed: ESMP and DRMP for urban interventions and, ESMP and DRMP for rural interventions for all sample projects, as well as the Environmental and Social Management Framework.  *Justification: This is a general standard condition, in case the EA or the contractor wants to change the scope of the ESMPs. At this point, some plans need further development: for instance: the biodiversity plan needs to be completed.*  b) As part of the execution structure, one environmental and one social specialist will be part of the ESHS Government structure to address the socio-environmental issues of the Project.  *Justification: OREPA capacity needs to be reinforced with a good environmental and social capacity to lead and supervise the implementation of the project.*  c) The Environmental and Social management Framework should be in place and included as part of the Operating manual.  *Justification: the ESMF sets the rules for the project to operate and must be included in the Operating Manual.* |
| * + - **Special Conditions of Execution**  1. The Beneficiary through the Executing Agency shall comply with the following ESHS conditions: Prior the tender of the construction contract in each intervention: i) provide evidence of having the legal possession or legal rights of the sites where the intervention will be.   *Justification: This is to ensure that none of the works are either in area where they don’t have the land or against environmental Haitian laws.*   1. Prior *to* the start of any Civil Works activities *for* the Urban Intervention: i) submission of a final livelihood restoration project for the owners and operators of the water trucks, including a preliminary census and mitigation measures proposed and discussed with the water trucks.   *Justification: Although we have already a preliminary LRP and the affected water trucks have been pre-identified, the final census (the cut of the deadline) and agreement with them should be completed before the beginning of works.*   1. At least 6 months prior the beginning of construction of well or reservoirs, submit to the IDB for non-objection: i. the Resettlement Plan, or Livelihood Restoration plan, as needed; and ii. the Environmental and Social Impact Assessment, as needed.   Justification: *Given that is a multiple works, we need to be sure that all projects not included in the sample follow the same procedures and are reviewed as the projects of the sample to ensure that the impacts are consistent with project classification.*   1. The Beneficiary through the Executing Agency shall not engage in any of the following activities with respect to the Project: Category A projects, significant involuntary resettlement activities (more than 10 people directly or indirectly affected) or displacement of subsistence activities of vulnerable groups or impacts on critical natural habitat or cultural resources.   *Justification: To ensure consistency of the projects not include in the sample with the overall classification of the Project.*   1. The Executing Agency must: (i) implement participation processes with the interested parties in the works foreseen in the Project to guarantee that the affected communities are informed and consulted about the progress of the work and the socio-environmental management of the Project and have access to conflict resolution mechanisms; and (ii) disclose any evaluation and socio-environmental management plan related to the works. The consultation and communication plan with stakeholders must be submitted annually to the IDB for non-objection.   *Justification: Nature and stakeholders to engage change in each intervention of the project, and thus should be presented each year to the IDB.*   1. Prior to the start of the operation stage of each individual project not included in the sample, the Executing Agency shall present the ESHS Plans for operation stage and evidence of their implementation including any required consultation with stakeholders*.”*.   *Justification: Given that the nature of multiple works the scope of impacts depends on the rural or urban nature, and the location and the stakeholders change for each intervention and thus the ESHS plans for operation stage should be customized for rural and urban.* |
| **C. Provisions to be included in the Operational Manual (“ROP”)** |
| a) Any substantive changes to the ESHS Plans shall be in writing and approved by the Bank in a manner consistent with the Bank's environmental and social safeguards policies.  b) With respect to the Project, the Executing Agency shall notify the Bank in writing through a short communication “flash report” within the next 24 hours, and prepare a report within ten (10) days of any (1) potential or actual material noncompliance with the environmental and social requirements; (2) accidents, incidents or other significant events (e.g. spills, fires, discharges of hazardous substances); (3) significant actual or imminent social conflicts; (4) ESHS regulatory action; or (5) any newly identified environmental and social risks and impacts, that may affect the environmental and social aspects of the Project, for instance natural hazards, such as earthquakes, or others; in each case such notice shall include actions taken or proposed with respect to such events.  c) The Beneficiary through the Executing Agency shall prepare and present to the Bank’s satisfaction, an ESHS Compliance Report (ESCR), in the form and content agreed upon with the Bank as presented in Annex of the Operating Manual, as part of the **semester** progress report or within 15 days of the end of each respective calendar period, and until two years after construction is completed.  d) Environmental and social eligibility criteria for new projects: i) Should not affect more than 10 people directly or indirectly affected (and it they are affected they need to be compensated adequately (not with cash) as per the livelihood restoration plan for the sample projects, ii) A thorough analysis needs to be done (such as the elaboration of an ESIA, livelihood restauration plan, hydrological studies which also include monitoring aspects).  d) Definitions. In relation to the Project and its environmental and social management, the following definitions shall apply:  AECID - Agencia Española de Cooperación al Desarrollo  CASEC - Conseil d’Administration de la Section Communale  CTEs – Cuerpo Técnico de Explotacion  DINEPA – Direction Nationale de l´eau potable et de l´assainissement  DRMP - Disaster Risk Management Plan  ESA – Environmental and Social Analysis  ESHS – Environmental, Social, Health and Safety  ESMP – Environmental and Social Management Plan  ESMF – Environmental and Social Management Framework  KBA – Key Biodiversity Area  OREPA – Offices Régionaux de l’Eau Potable et de l’Assainissement |

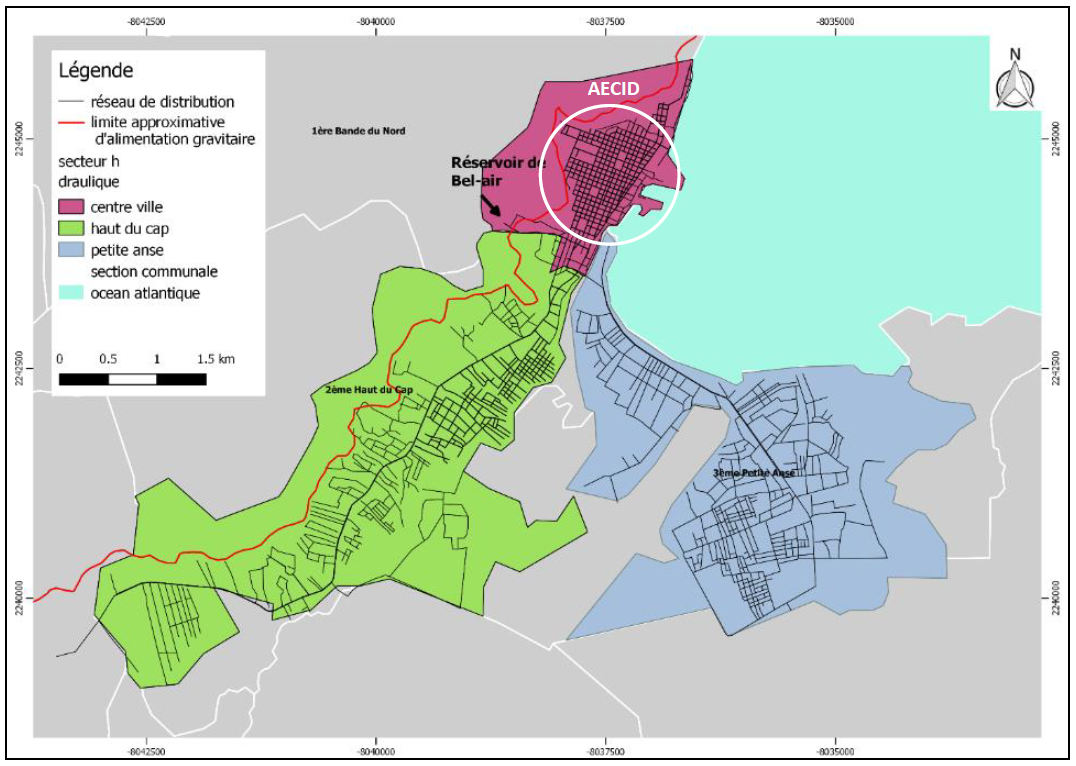
**Appendix 1**

**Urban Sample**

Distribution Network in Cap-Haitien and existing Reservoirs in Bel-Air

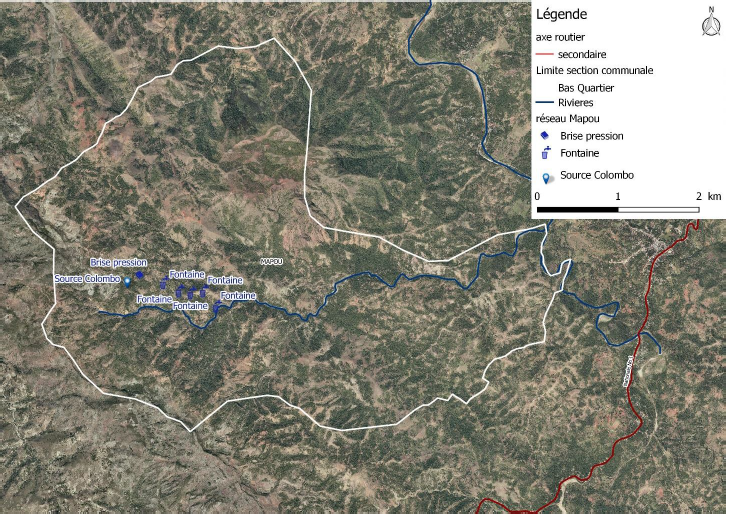


Area of intervention of AECID

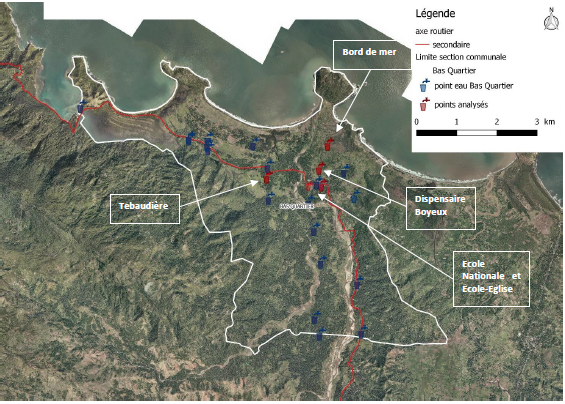


**Rural Sample**

Mapou – Location of source Colombo and network



Bas Quartier – Location of Wells



1. The CTEs are the public operators of the urban supply systems. There are 24 in Haiti. [↑](#footnote-ref-2)
2. This intervention is a pilot that the project will be working through small sanitation facilities but does not involve the financing of sludge plants. [↑](#footnote-ref-3)
3. A Hydrogeological Characterization of the aquifer and existing wells at Balan and Quartier Morin area, Cap Haitien, Haiti have been prepared during the project preparation, but out of the scope of the ESA. It includes different scenarios with the addition of new wells. [↑](#footnote-ref-4)
4. A section of the network of downtown Cap Haitien will be financed by AECID in 2018-2019, particularly between the streets: A and L and 2 and 24, and therefore, the environmental and social impacts are out of the scope of this analysis. [↑](#footnote-ref-5)
5. A Phase 2 is planned for 2021-2024, subject to a progressive increase in the water demand: i) The construction of the Balan line to Babiole; ii) The search for a plot for an additional tank at Babiole and its construction; iii) The equipment of the two new borings of Quartier Morin; iv) Balan's line of discharge at the Petite Anse water tower; v) The discharge line of the Quartier Morin wells at the Balan intersection. [↑](#footnote-ref-6)
6. The ESA for the urban sample includes a Livelihood Restoration Plan, designed especially for the network intervention, and the water truck drivers whose income might be disrupted in the medium to long term Although the most important impacts and risk related to Livelihood Restoration are for the areas in the market – which will be financed by the AECID. [↑](#footnote-ref-7)
7. It is important to note that the most complex part of the urban center for the network construction is not part of the scope of this project, as it will be financed by the Spanish Cooperation Agency (AECID). [↑](#footnote-ref-8)
8. The project team has carried out Hydrological characterization on the Aquifer and the existing wells at Balan, Cap Haitien, which assess water scarcity and potential saline intrusion in operation while looking at the demand for water in 2025 and in 2035. The study provides details regarding which scenario provides the lowest risk of water scarcity and saline intrusion but clearly states that additional groundwater monitoring is necessary during the operation phase to show indicators that would warrant changes to the pumping schemes. Due to the large regional extent of the aquifer the modifications to the groundwater budget resulting from climate change the localized impacts on the area of Balan are not pronounced. [↑](#footnote-ref-9)
9. One of the restrictions to be included in the Operational Manual is that any project to be financed by the project: should not affect more than 10 people directly or indirectly affected (and it they are affected they need to be compensated adequately (not with cash) through a livelihood restoration plan). The Operational Manual will be developed and is expected to be ready prior to first disbursement. [↑](#footnote-ref-10)
10. There are approximatively 80 private water truck drivers and owners that sell and distribute water in the area of intervention. [↑](#footnote-ref-11)
11. OP-703 applies when livelihood impacts are not significant and don’t lead to physical displacement (see *Transitional Guidance in instruments for Physical Displacement, Economic Displacement and Economic Losses under OP-710 and OP-703* (TG-005) for more information) [↑](#footnote-ref-12)
12. Type 2 risk scenario occurs when the operation has a potential to exacerbate hazard risk to human life, property, the environment and the project itself. [↑](#footnote-ref-13)
13. OP-710 applies when livelihood impacts lead to physical displacement (see *Transitional Guidance in instruments for Physical Displacement, Economic Displacement and Economic Losses under OP-710 and OP-703* (TG-005) for more information) [↑](#footnote-ref-14)
14. Risks may include: (i) Unequal access to project benefits/ compensation measures, (ii) Men or women disproportionally affected due to gender factors, (iii) Non-compliance with applicable legislation related to equality between men and women, (iv) Increased risk of gender-based violence, including sexual exploitation, human trafficking and sexually transmitted diseases, and (v) Disregard of women’s ownership rights. [↑](#footnote-ref-15)
15. Environmental and Social Assessments include ESIAs, ESMPs, RPs, RFs, and ESMFs. [↑](#footnote-ref-16)
16. Please refer to the Protocols for ESHS Documentation and Information Disclosure for more details on the disclosure timing of the different Environmental and Social Assessments. [↑](#footnote-ref-17)