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HAITI

**MITIGATING THE ENVIRONMENTAL IMPACTS OF THE PIC IN THE CARACOL
BAY**

HA-T1180

TC DOCUMENT

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The project team consisting of prepared this document:

TECHNICAL COOPERATION DOCUMENT

I. BASIC PROJECT DATA

▪ Country/Region:	Republic of Haiti
▪ TC Name:	Mitigating the Environmental Impacts of the PIC in the Caracol Bay
▪ TC Number:	HA-T1180
▪ Associated Loan/Guarantee Number:	HA-L1055, HA-L1076, HA-L1081, and HA-L1091
▪ Team Leader/Members:	Graham Watkins (Team Leader, VPS/ESG); Stefanie Brackmann(VPS/ESG); France Francois (VPS/ESG); Melissa Barandiaran (VPS/ESG); Marie Bonnard (COH/RND); Bruno Jacquet (COH/RND)
▪ Date of TC Abstract authorization:	May 1st, 2014
▪ Donors providing funding:	Special program for Biodiversity and Ecosystem Services- BIO
▪ Beneficiary:	Republic of Haiti
▪ Executing Agency:	The Inter-American Development Bank (IDB) through the Environmental Safeguard Unit (ESG)
▪ IDB Funding Requested:	US\$180,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	20 months
▪ Required start date:	August 2014
▪ Types of consultants:	Individual consultants and consulting firms
▪ Prepared by Unit:	ESG
▪ Unit of Disbursement Responsibility:	ESG
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ GCI-9 Sector Priority:	Protect the environment, respond to climate change, promote renewable energy and ensure food security

II. DESCRIPTION OF THE ASSOCIATED LOAN

2.1. The Bank is supporting the development of the Caracol Industrial Park (PIC) through a series of investment operations that will total approximately US\$200 million. There are three operations currently in execution (2552/GR-HA; 2779/GR-HA and 3132/GR-HA).

- 2.2. The PIC Program is a major investment supported by the IDB and the US Government, it include the finance of basic infrastructure, production facilities, and will provide management support for the 250-hectare industrial park. The PIC aims to address key obstacles faced by manufacturers in doing business in Haiti, by providing: (i) modern infrastructure and facilities; (ii) reliable utilities (water, sanitation, electricity); (iii) logistic support and secure road access in and out of the park; and (iv) a professionally managed, operated and maintained industrial park.
- 2.3. The PIC site is 4 km inland from Caracol Bay. Caracol Bay is part of a coastal mangrove, sea grass, bay, and coral reef ecosystem that extends from Cap Haitien to Lagon aux Bœufs, and onwards into the Dominican Republic. This ecosystem acts as spawning and nursery grounds for fish, mollusks and crustaceans. Local communities depend on resources from these ecosystems through artisanal and subsistence fisheries, through exploitation of mangroves for firewood, charcoal and building materials, and through the establishment of evaporation ponds for salt. The natural resources of these ecosystems are currently heavily over-exploited and degraded. There is a risk of the PIC compounding the rate of conversion and degradation these resources by increasing job prospects and thus migration into the area.
- 2.4. The environmental management plan for the PIC includes supporting the protection of Caracol Bay to manage the indirect and cumulative impacts of the PIC on the area's natural resources (see [cumulative impact assessment for HA-L1076](#)). Bank financing under HA-L1055 includes support for ecological baseline studies for Caracol Bay implemented through the Unité Technique d'Exécution (UTE) in the Ministry of Economy. The Bank, under HA-L1076, through the UTE, is also financing the development of sustainable alternative livelihoods for communities around Caracol Bay. Work to date has been focused on the areas near the PIC as the precise boundaries of the protected area were discussed and established.

III. OBJECTIVES AND JUSTIFICATION

- 3.1. In October 2013, the Council of Ministers approved the establishment of a marine protected area – Three Bays National Park (3BNP) – in north-east Haiti as proposed by the Comité Interministériel d'Aménagement du Territoire (CIAT) to conserve local and regional biodiversity, maintain ecosystem services and mitigate against additional pressures that result from the ongoing development of the north east of Haiti. The 3BNP includes Limonade Bay, Caracol Bay, Fort Liberté Bay, and Lagon aux Bœuf. The 3BNP will be managed by the recently formed unit Agence Nationale des Aires Protégées (ANAP). Effective management of the 3BNP requires extension of the baseline studies for Limonade and Caracol Bay through the whole protected area including Fort Liberté Bay, and Lagon aux Bœuf. Both ecological baseline studies (Limonade/Caracol Bay and Fort Liberté/Lagon aux Bœuf) are being undertaken in close collaboration with the Ministry of Environment (MOE), ANAP, CIAT, UTE, and UNDP-GEF who together form the Monitoring Committee for the

3BNP. The Monitoring Committee has approved the terms of reference for these two ecological baseline studies.

- 3.2. The overall objective of this Technical Cooperation is to support the implementation of the 3BNP through completing the extended ecological baseline studies in Fort Liberté and Lagon aux Bœuf integrated with the Caracol Bay studies in such a way that the 3BNP will be able to use this information for the management of the whole protected area.
- 3.3. This Technical Cooperation will contribute to the GCI-9 goals of “supporting development in small and vulnerable countries” and “assisting [. .] in dealing with climate change, sustainable energy (including renewable) and environmental sustainability.” The Technical Cooperation will also contribute to the sector priority of “Protect the environment, respond to climate change, promote renewable energy, and ensure food security.” The Technical Cooperation also supports the Biodiversity and Ecosystem Services Program line of action of “incorporate biodiversity and ecosystem service value into key economic sectors.”
- 3.4. This TC is in line with the second objective of the Fund for Biodiversity and Ecosystem Services (BES) Program “to increase awareness on and protecting critical and large-scale ecosystems of regional significance”. It supports the second component: Investing in priority regional ecosystems conservation; by contributing to the creation of co-management regimes for priority ecosystems. The TC is also aligned with the expected results of the program given that it will contribute to increase the capacity of beneficiary countries to implement and evaluate policies and investments that mainstream biodiversity and ecosystem services.

IV. DESCRIPTION OF ACTIVITIES/ COMPONENTS AND BUDGET

- 4.1. **Component 1: Establishing the Protected Area (US\$140,000).** Contract a consulting firm or non-government organization to extend the ecological baseline studies of Caracol Bay through to Fort Liberté and Lagon aux Bœufs. The tasks for the first activity include developing a geo-referenced understanding of the actual and historical trends in use of, and changes in, marine and coastal habitats. This will include reviewing existing information; assessing soil types; inventorying habitats and species; assessing ecosystem services; establishing information databases; mapping resources and resource use over time; identifying the main vulnerabilities and threats; and, establishing a future monitoring program. The results of this work will be used to guide management planning (to be supported by UNDP-GEF) and monitoring within the 3BNP. The final report will include a methodological guide for the characterization, inventory, and analysis of biological resources in marine and coastal environments; complete description of the methodologies used in this assessment; databases of information on the marine, coastal, and river resources of the area; lists of potential indicators and a plan for monitoring; description of existing habitat risks and threats; and, identification of the principal concerns for the management of biodiversity in the area.

- 4.2. **Component 2: Technical Support to ANAP and MOE and coordination of 3BNP activities (US\$40,000).** Retain a senior protected areas specialist consultant who will work with the Environment Safeguards Unit (VPS/ESG) to provide technical support to ANAP and the MOE and work with these entities and the Monitoring Committee to support the coordination of the several lines of work for implementing the protected area (ecological baseline studies, socio-economic baseline studies, alternative livelihoods support, and management planning). A clear requirement of this work is to coordinate and integrate the results of this ecological baseline study with the ecological baseline study of Caracol Bay (HA-L1055) and with other related Bank financed activities in the area including alternative livelihoods to reduce impacts on the protected area (HA-L1055 and HA-L1076) and the UNDP-GEF programs for the establishment of a National Protected Areas System (SNAP) and the Mountains to the Sea climate mitigation project and the development of the framework for effective management of the 3BNP.

Table 1. Indicative Results Matrix

Project activity description	Expected outputs	Expected results
<ul style="list-style-type: none"> Component 1: Establishing the Protected Area - Ecological baseline study of <i>Fort Liberté Bay</i> and <i>Lagon aux Bœufs</i> 	<ul style="list-style-type: none"> Final Ecological baseline report for this area seamlessly integrated with the ecological baseline report from Caracol Bay 	<ul style="list-style-type: none"> The integrated ecological baseline study report for 3BNP will be used as the basis for a participatory plan ensuring the effective management of the protected area.
<ul style="list-style-type: none"> Component 2: Technical support to ANAP and the MoE and coordination of activities to support establishment of the 3BNP 	<ul style="list-style-type: none"> Three mission reports Three Monitoring Committee meeting minutes 	

- 4.3. The estimated budget for implementation of this Technical Cooperation is US\$180,000 from the Special program for Biodiversity and Ecosystem Services-BIO.

Table 2. Indicative Budget (US\$)

Activity	Description	IDB/Fund Funding US\$	Total Funding US\$
Component 1: Establishing the protected area	Firm consultancy	140,000	140,000
Component 2: Technical support to ANAP and MOE and coordination of 3BNP activities	Individual consultancy	40,000	40,000
TOTAL		180,000	180,000

- 4.4. The total committed additional financing for the implementation of the PN3B amounts to US\$1.05million: US\$300,000 for baseline studies from IDB HA-L1055; US\$600,000 for alternative livelihoods from IDB HA-L1076; US\$150,000 for management planning from UNDP-SNAP. Additional longer term financing for the implementation of the 3BNP of up to \$3.42 million includes: US\$3 million from the Ministry of Environment and UNDP-GEF (Increasing Resilience of Ecosystems and

Vulnerable Communities to Climate Change and Anthropic Threats through a Ridge to Reef Approach to Biodiversity Conservation and Watershed Management); up to US\$300,000 from Royal Caribbean Cruise Lines through the Nature Conservancy to improve mapping; and US\$120,000 to support mangrove restoration from the UNDP small grants program.

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1. As per request of the Government of Haiti (see Haiti Country Program Document for 2014, Annex I), the Bank will execute this TC through its ESG Unit, due to the need to contract highly qualified international consultants with agility and prior experience in the Bank with executing TCs in Haiti. Consequently, the institutional capacity of the Executing Agency or risks associated with the implementation of the project regarding fiduciary management is classified as low. As a result, supervision modality¹ of the procurement procedures will be ex-post.
- 5.2. Given that the Bank will be the Executing Agency; this operation will be classified as low risk. There will be no Advance of Funds or Revolving Funds to be created, as the Bank will be paying the sole Contracting Entity. Payments will be in accordance with the contract, in line with the deliverables and all in accordance with the Bank's non-objection. The hiring of the Contracting Entity will have satisfied the Procurement policies of the Bank.
- 5.3. The project team will select and hire individual consultants and consulting firms following the Bank's procedures for project-related contracting in the Policy.
- 5.4. The Nature Conservancy has already been selected by the UTE (under HA-L1055) to undertake the ecological baseline studies for Caracol Bay. This group has demonstrated capacity to undertake ecological baseline studies and by extending their work will allow advantage to be taken of the presence of field teams and equipment in the north-east of Haiti. The Bank will therefore contract The Nature Conservancy through single source selection, in accordance with Bank procurement policies, to implement the TORs for this work.

VI. MAJOR ISSUES

- 6.1. Three major issues have been identified. The first risk is that the GoH has not finalized a legal framework for management of the protected area and has not identified financing for staff in the region. To mitigate this risk UNDP-GEF SNAP is developing a sustainable financing plan for protected areas in Haiti. The Bank is working toward identifying additional financing to ensure GOH presence; UNDP-GEF is finalizing a proposal that will provide support to 3BNP.
- 6.2. The second issue is there has been little work carried out with the local communities to discuss the establishment of the protected area and their role in its management.

¹ Resources for this TC will not support routine and customary activities of the Bank.

To mitigate this risk, the Monitoring Committee is developing an approach to initial consultations on the new protected area. There will be a high level meeting in September 2014 to discuss the further development of 3BNP. The TORs for the work described in this TC include a specific component for stakeholder engagement.

- 6.3. Finally, the third issue is the lack of ongoing coordination with the MDE and the project to create ANAP is essential so that MOE is able to adequately prepare to assume management or co-management responsibility and financial sustainability. To address this issue, the team will work closely with, and help coordinate the activities of, the MOE, ANAP.

VII. EXCEPTIONS TO BANK POLICY

- 7.1. There are no exceptions to Bank Policy.

VIII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 8.1. According to the Environmental and Safeguards Compliance Policy (OP-703), this TC is classified as Category “C”. Therefore, this TC does not require any special measures for the implementation of safeguards and environmental conservation, ESG classified this operation on environmental and social risks according to the screening and filter reports dated February 2013 (see [Safeguard Policy Filter Report \(SPF\)](#) and [Safeguard Screening Form Report \(SSF\)](#))

ANNEXES

- Annex 1 - [Country Program Document 2014](#)²
- Annex 2 - [Terms of Reference](#)
- Annex 3 - [Procurement Plan](#)

² [IDBDOCS-#38999140-HA-T1180 Annex I for publication.](#)

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HA-T1180

CERTIFICATION

I hereby certify that this operation was approved for financing under Special Program for Biodiversity and Ecosystem Services (BIO) through a communication dated May 1, 2014 and signed by Gerhard Lair, ORP/GCM. Also, I certify that resources from said fund are available for up to US\$180,000 in order to finance the activities described and budgeted in this document. This certification reserve resources for the referenced project for a period of six (6) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

ORIGINAL SIGNATURE

08/08/2014

Sonia M. Rivera
Chief
Grants and Co-financing Management Unit
ORP/GCM

Date

APPROVAL

Approved:

ORIGINAL SIGNATURE

08/19/2014

Santiago Levy
Vice President
Vice Presidency for Sectors and Knowledge
VPS

Date