# Municipal Development and Urban Resilience Project

Country / Region: Haiti | Project Id: XPCRHT070A | Fund Name: PPCR |

MDB: International Bank for Reconstruction and Development

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<td>Comment 1</td>
<td>Gaia Allison</td>
<td>United Kingdom</td>
<td>Thank you very much for sharing the Haiti Municipal Development and Urban Resilience project proposal for our review. There is clearly a substantial need being addressed in this proposal and there are encouraging new opportunities for a direct working approach at the municipal level with the newly elected Mayors. There are also significant risks to this project – sustainability, corruption, and weak institutions including the danger of substitution, but these are largely well presented in the proposal. We have a number of comments and questions for which we would appreciate a response.</td>
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**Risks**

- Flexibility will be important – especially given the proposed decentralisation agenda being promoted by the Government and other donors. This will present both opportunities and risks.

- There doesn't seem to be any budget attached to the Contingent Emergency Response component. The idea is that the Bank can reallocate project funds if requested to by MICT or MTPTC. Given the vulnerabilities in Haiti, it is highly likely this will be called upon during the lifetime of the project. This could have an impact on other deliverables. How will this be managed? Will the Bank draw on other funding sources if needed?

**Coordination/building on experience**

- We would like to encourage the Bank to liaise with the EU and Global Affairs Canada if not already done so. They are also working on Municipal level governance and urban risk mapping (building on some DFID funded work with UNDP) in the project area.

**Project rationale**

- A clear theory of change which sets out how the investments proposed will be catalytic and transformational would be helpful in demonstrating what this scale of investment can do. The PPCR contribution is relatively small and does raise the question of additionality. Could you clarify what additionality the PPCR funding brings?

**Component 1**

- Regarding capacity building, it would be useful to know whether any capacity benchmarking has been undertaken. How big is the capacity gap in relation to the capacity required by a well-functioning local authority for a city of the size of Cap-Haitian? It is difficult to assess whether the proposed Mobile Technical Support Team is of the right scale or not.

- Component 1 also aims to enable the delivery of local services. However, other than some general statements, we could not find reference to a more detailed analysis of the state of local services and what scale of investment for different
services is required. Please provide reassurance that this has been carried out.

Results Framework
- The targets are all expressed to two decimal points, including indicators such as "People provided with improved urban living conditions". Can you check this?

Safeguards
- There is reference to potential for resettlement and also for the need for regularised dredging of rivers. Could you provide further details on mitigation steps being considered?

Many Thanks

Response 1  Kanta Kumari  IBRD

Design: Agreed. The team will continue to monitor the developments on decentralization agenda, and work closely with the Ministry of Interior and Local Authorities who is the main driver for decentralization.

Risks: In case of a request from the Government to trigger the CER component, the Project will undergo a restructuring to reallocate funds between components and readjust activities. Only undisbursed and non-committed funds will be eligible to be reallocated (PPCR funding will not be used for emergency response). The team is mindful that disruptions to project programming should be minimized. Based on the extent of the use of project resources to respond to the emergency, the Bank could explore the possibility to provide additional financial support to the Project.

Coordination/build on experience: Thank you. The Bank team is already working with the EU, among other partners. The EU-funded project for local development (AGIL) closed last year. The team will be reaching out to Global Affairs Canada to see if additional risk mapping has been done.

Project rationale:
Thank you. As highlighted in the PAD, including in the results framework and in the economic study, and based on the evidence of the comprehensive preparatory studies undertaken during project preparation, the investment for Cap-Haïtien's flood management will be transformational, and will result in reduction of flooded areas by almost 271 ha and more than 58,000 beneficiaries. For Component 1, the intervention will result in providing municipalities with substantial increase in their resources for investment (up to 10 times their current budgets) accompanied by targeted technical support. In that sense, the project will enable municipalities to drive their development agenda and target critical service delivery gaps in their urban areas, as well as enabling to better plan and manage their expansion, mainstream resilience in planning and implementation, and collect more local revenues. PPCR funding will enable the Project to address specific climate-change aspects and ensure that climate change technical knowledge is leveraged as much as possible in all activities of the project. Furthermore, as part of Component 1, climate considerations are integrated as part of the municipal sub-projects selection process. Simple guidelines on how to screen projects for climate risk and disaster risk (in terms of project location) and simple ways of including structural standards against certain hazards when preparing ToRs for design firms (for example hurricane proof roofs, drainage for flooding) will be included in the Operational Manual and will be integrated in the training of the municipality staff.

Climate aspects are also part and parcel of the integrated master plan for the Bassin Rhodo financed under component 2 and of the support to municipalities for development of their local plans supported under Component 1.3. In these plans, resilience and managing climate change both in terms of spatial planning and in terms of investment projects and other interventions will be a crosscutting issue.

Component 1: Capacity assessments were undertaken for each of the targeted municipalities as part of project preparation. At this stage, MLAs are staffed to undertake basic tasks, but the main challenge is that staff are not equipped with skills and resources to execute their mandates. Cap-Haïtien, has substantial amount of staff, both qualified and unqualified. It is estimated that the MTST will be effective in providing the necessary support to expand the delivery capacity of both Cap-Haïtien and the 5 smaller municipalities, including support to help municipality staff make use of climate considerations as part of selection of investment projects, and in the development of key planning tools including the local development plan (PDC) and the urban development plan.

During the preparation of the Project, several activities were undertaken to understand the existing service delivery gaps and priorities of the municipalities:
- consultations with the mayors and staff of the municipalities, and with the

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wider population on key development challenges they face.

- Detailed reviews of the existing development plan of each municipality including a long list of their priority projects
- Site visits and review of key bottlenecks in the urban areas of the municipalities

In addition, the selection of investments under Component 1 will be informed by the detailed feasibility studies that will be undertaken in the first 6 months of the Project. These studies will include review of technical, economic and social viability of the long list of sub-projects proposed by municipalities, and hence allow for the final selection.

**Results Framework:** To your comment: "The targets are all expressed to two decimal points, including indicators such as "People provided with improved urban living conditions". Can you check this?"

Response: This has been updated.

**Safeguards:** Comprehensive details for the management and mitigation of resettlement are provided in the PAD’s safeguards section and the Safeguards Action Plan (Annex 5).

Resettlement will be undertaken as per Bank standards on social safeguards. The project design includes several mitigation measures to reduce the social safeguards risk, including (i) preparation of detailed EA instruments (ESMF and RPF for component 2 and EIA and RAP for component 1.), and (ii) consistent mobilization of high level expertise in social safeguards with strong knowledge of Haiti, especially during early stages of implementation. The Project will also ensure substantive and comprehensive consultations with all stakeholders on safeguards procedures.

Regarding the regularized dredging of rivers, it is estimated that the river basin will only require follow-up dredging in about 15-20 years, assuming that the main driver of creation of new settlements, solid waste dumping into the basin and uncontrolled settlement – is better managed (as per the link to the IDB financed solid waste project and the component 1.3 of the project supporting municipalities to undertake better urban management).

**Comment 2**

Katharina Stepping, Germany

Germany appreciates the project proposal that is based on a comprehensive climate risk management approach and addresses various risk factors and corresponding co-benefits in its solution approach with regard to tackling climate change, poverty alleviation and (informal) urbanization. As the project focuses on urban areas and strengthening their resilience while around 60% of the Haitian population still depend on agricultural activities for ensuring their subsistence, Germany kindly requests to outline how the drivers of urbanization and available urbanization scenarios for Haiti are considered/ will be addressed within the project’s design and implementation for ensuring sustainable project achievements. Germany recommends to combine/ align the project with/ to other measures addressing the needs of people living in rural areas as an alternative development option mitigating driving factors (i.e. climate change) of growing urbanization going hand in hand with increasing pressures on public service provision in urban areas. Germany kindly asks to outline the urbanization scenarios and time horizons that were used within the project design phase.

**Response 1**

Kanta Kumari, IBRD

Thank you. The document presents a set of urbanization trends for Haiti (i.e. urbanization scenarios) based on the available existing data, and it reflects the estimated urbanization levels and growth rates for the 6 communes targeted under this project. The precise levels of urbanization are very hard to estimate due the fact that the last census was conducted in 2003. The time horizons that were used were to look at the projections that are done on the basis of the available projects developed by Haiti’s national statistics agency.

It is correct that the majority of households in Haiti depend on agriculture as a key source for livelihood (although the share is reducing), but nevertheless, urban areas play a key role in the economy as centers for commerce, trade, provision of services, and as points for connectivity to areas outside the department. As an example, day population in Cap Haitien is estimated to be at least 75% higher than the night time population – a strong testament to the urban – rural linkages and the importance of urban areas for the rural population.

With regards to the recommendation to align the project with measures addressing the needs of people in rural areas, the project finance does not allow for additional focus outside the urban areas. The team takes note that some rural to urban migration in Haiti is also pushed by climate change related factors, affecting agricultural productivity. However, it is outside the scope of the project to provide interventions in rural areas to mitigate such effects in agriculture. The team is working closely with the Bank agriculture team and is conscious of the various interventions that are being promoted in the sector to address climate change related factors.
Response 2  Katharina  Stepping  Germany

GER kindly asks to go beyond this consciousness and consider and align the project’s intervention to other projects working in the rural areas of Haiti - not only from the Bank, but also from other donors. For instance, there is a GIZ project on “Strengthening living conditions of vulnerable communities in regions of seasonal water shortage in South Eastern Haiti”. This mapping would allow for taking a holistic approach and for complementing the PPCR’s work on urban areas with other activities undertaken in the rural areas and existent needs. After project approval, GER kindly asks to present a map of other projects working in the rural areas and potential synergies towards the foreseen project’s interventions.

Response 3  Kanta Kumari  IBRD

Thank you very much. Excellent proposal. The team is very eager to learn from other projects, even other regions of Haiti that are not directly associated with the project, such as the quoted project in South Eastern Haiti on strengthening the living conditions of vulnerable communities in regions of seasonal water shortage. The team is available to undertake a mapping of projects in rural areas (in particular in the North Department) that have synergies and relevant connection with the MDUR project, including an overview projects operating in rural areas associated with the areas of project intervention. This also includes learning from other PPCR projects in Haiti, and this could also be done as part of the annual M&E meetings on progress on Haiti’s PPCR program.

Comment 3  Katharina  Stepping  Germany

Germany welcomes the project’s foreseen activities on undertaking risk assessments and respective planning at sub-national level, e.g. development of risk frameworks at municipal level or of a comprehensive risk management plan for the river basin Rivière Haut du Cap. Germany encourages to strongly align these planning processes to the national level and the respective national contingency plan for Haiti, as Haiti is a policy holder of the CCRIF, the Caribbean Catastrophe Risk Insurance Facility, who receives, in an event of loss, payouts from CCRIF whose use of resources are pre-determined in its contingency plan, as in the case of Hurricane Matthew. Hence, the membership of Haiti in CCRIF has also crucial linkages to the project’s component 3 that have to be considered within the project’s design and implementation. In this regard, Germany further recommends examining synergies and potential co-benefits to the German Red Cross’ and World Food Program’s (WFP) work undertaken on forecast-based financing. Forecast-based financing is an innovative approach using the scientific data to indicate elevated risks and then release humanitarian funding for actions before a potential disaster. The German Red Cross and the WFP currently test this approach in Haiti as a high risk country.

Response 1  Kanta Kumari  IBRD

Risk assessments and resilient planning processes that will be undertaken at the municipal level will be closely aligned with the national system for disaster risk management, the relevant sectorial strategies at the national and deconcentrated levels, and with the municipal civil protection entities in each targeted municipality. Haiti has benefitted from CCRIF insurance since 2007, with coverage for hurricane and earthquake hazard. CCRIF functions as a joint reserve mechanism and enhances its members’ fiscal resilience to disasters triggered by natural events by providing a policy payout (in cash; within two weeks) in the event of a hurricane or earthquake of sufficient impact to reach pre-agreed fiscal trigger levels. The use of the payout funds is not tied to any pre-established list of activities or contingency plan and is of free use by the Government. In the case of hurricane Matthew, the CCRIF had requested from Government to report on the use of payout funds for information purposes. Emergency activities potentially financed through Component 3 will be coordinated by Government to complement other response activities financed by other sources, including CCRIF payouts. The Bank team will explore synergies with the German Red Cross’ and World Food Program’s (WFP) work undertaken on forecast-based financing to support the GoH in enhancing emergency response activities, potentially financed under Component 3 if a disaster occurs.

Comment 4  Katharina  Stepping  Germany

Regarding the project’s sub component 1.1 Germany kindly asks to outline exactly the fund allocation based on a population-based formula. Germany encourages organizing the fund allocation according to a strong focus on the poor and vulnerable target group as a complementary criteria to the envisaged performance criteria.

Response 1  Kanta Kumari  IBRD

The population formula is presented in the Annex 1 of the Project Appraisal Document with details in the footnote. Given the lack of detailed poverty data in Haiti, the Government and the Bank team agreed that the best proxy indicator for service demand is population (in this case urban population). At the same time, certain urban centers (such as Limonade) is much larger than the other 4 benefitting from the grants. Therefore, it was agreed to have a share split between population...
based distribution and equal share, to avoid having to large differences between the funds available per commune.

Detailed explanation in the footnote which is quoted in full below:
The core allocation for the first phase will be 50% of the total allocation; the remainder will be based equally on the urban and total population numbers respectively. The adjusted formula takes into account that in the national classification, some municipalities (e.g. Quartier Morin) have relatively small urban population and therefore would receive lower share of grants than municipalities with larger urban populations (for example Limonade), even though Quartier Morin is a municipality that is largely affected by the rapid expansion of Cap-Haitian. Hence, the principle of equity has also been taken into account.

With regards to using poverty and vulnerability as additional target criteria, we welcome the proposal and these are elements that will be further explored and clarified in the operational manual for the project. However, the processes for selection of sub projects requires participation and involvement of vulnerable and marginalized groups, including persons with disabilities.

Comment 5 Katharina Stepping Germany

Germany kindly asks to outline with regard to the project’s component 2.1 which concrete combinations of green and grey infrastructure are foreseen and how the approach of ecosystem-based adaptation is feeding into the project design and implementation.

Response 1 Kanta Kumari IBRD

Thank you. With regards to the interventions in the ravines in sub component 2.1, the projects envisage a set of structural and nonstructural interventions:

1. emergency and non-regrettable works in critical points already pre-identified, such as stabilization of banks and construction of retaining walls;
2. sediment canal cleaning to restore the full capacity of the ravines, and
3. structural measures to control sedimentation, such as the construction and / or rehabilitation of thresholds to reduce the velocity of runoff, etc.

Finally, non-structural erosion reduction measures, such as community awareness and campaign, as well as green infrastructure and small agro-business activities, will be piloted in the upper watershed of the ravines to reduce erosion and making the structural intervention more sustainable.

Comment 6 Katharina Stepping Germany

As the project also foresees resettlement activities, Germany would be very interested in the outcomes of the mentioned resettlement consultations and the Resettlement Action Plan that have been undertaken, as this is a highly sensitive process, whose lessons learned and insights will be helpful for further project designs in the future.

Response 1 Kanta Kumari IBRD

Thank you. The team will be happy to share with the CIF Sub Committee members the final draft Resettlement Action Plan when it is completed, expected in November 2017. We will also seek to draw and share lessons that can be used for future project designs.

Comment 7 Katharina Stepping Germany

Germany welcomes that the project’s comprehensive results framework makes clear reference to the PPCR indicators. However, for getting more insights on potential transformative change, Germany kindly asks to include one indicator on the percentage of administrative staff at municipal level reporting improved capacities and higher awareness for climate and disaster risks management. As the project also foresees cleaning and dredging activities in the river basin, Germany kindly asks to include one indicator on the project areas’ residents’ improved awareness on pollution and waste management.

Response 1 Kanta Kumari IBRD

An indicator on technical training received by municipal staff will be included in the Project, which will also cover climate change and disaster risk management aspects. An indicator on “percentage of beneficiaries who report satisfaction with project interventions” is included in the results framework. For easier monitoring purposes, the Project would be able to track “percentage of beneficiaries who report satisfaction on dredging and cleaning activities financed by the project”. The project does not finance waste management activities per se (only sediment management), so this will not be tracked but can be covered in the citizen satisfaction survey that will be covered under the project.

Response 2 Katharina Stepping Germany

Indicator on technical training received by municipal staff: The proposed indicator goes one step further, as it tries to capture, at the results-level, the self-assessment of improved capacities. Only from the fact of having received training, however, no direct conclusion can be made on having improved capacities. If possible, GER would very much welcome to reformulate the indicator according to the proposed result-based one.

Response 3 Katharina Stepping Germany

“So this will not be tracked but can be covered in the citizen satisfaction survey that will be covered under the project.” Thank you, this is very much welcomed
Germany sees in the higher awareness for pollution related issues among the urban population one key factor for ensuring sustainability of the envisaged cleaning interventions.

Response 4
Kanta Kumari
IBRD

Thank you for the proposal. The best indicator for the improved capacity of municipal staff is if their municipality can start receiving and manage funds directly under Phase 2. They will only be able to do so if their staff are showing sufficient capacity across a host of different areas, including but not limited to financial management and procurement, urban planning, administrative management, etc. The performance of the municipality will be measured through an independent assessment undertaken at the Midterm Review (with indicators defined in the operational manual of the project) on the basis of which it will be determined if a municipality is eligible to receive funds directly.

In addition to this, each municipality will be working on the basis of a Capacity Building Plan with specific targets and results, reflecting how the training and capacity building received will help support and accelerate the performance of the municipality.

Secondly, the key indicators such as capacity to deliver local development plans, deliver financial reports, and execute urban development plans are all related to the application of capacity building received.

The tracking of progress on implementation of this plan will be done as part of the project M&E.

OK, thank you very much for your second comment.

Comment 8
Katharina
Stepping
Germany

Germany encourages linking the assessed results under the outlined results framework to their potential contribution to the SDGs, if project resources allow for that.

Response 1
Kanta Kumari
IBRD

Thank you. The project results framework is aligned with the national PPCR results framework Government of Haiti, which is also aligned with the SDGs. As part of the M&E of the project, the team will encourage the PIUs to continuously share the M&E reports with relevant national bodies monitoring Haiti's progress on the SDGs, including the Ministry of Planning and the Prime Minister's Office.

Comment 9
Katie Berg
United States

We would like to reiterate a request made by other donors about seeing more information on resettlement plans and the outcome of resettlement consultations. Is this possible?

Best,
Katie Berg
U.S. Treasury Department

Response 1
Kanta Kumari
IBRD

The team is currently supporting the Government in the development of the Resettlement Action Plan, and the process is ongoing and expected to be completed by the end of 2017. A brief status of the progress of the work is taken from the PAD below:

An international consulting firm has been recruited to prepare a Resettlement Action Plan (RAP) in compliance with national law and Bank safeguard policies. A first round of local public consultations on the RAP was carried out by the Government in February 2017 in collaboration with the City of Cap-Haitien. Three resettlement options in the Bassin Rhodo outlet were presented to the public: (i) in situ resettlement on the left bank of the canal (Quartier La Fossette); (ii) relocation of affected households close to the airport that constitutes the priority extension zone for the municipality (7 km away); or (iii) relocation of affected households close to the new Industrial Park area in Limonade (about 20 km away). National and local authorities have expressed support for each of these options and have identified an additional in situ resettlement site occupied by an abandoned CARE warehouse on the right bank of the Bassin Rhodo outlet.

The Bank has requested and obtained the authorization to defer the finalization of the safeguards instruments (see quote from the PAD below, the Safeguards Action Plan):

An ESIA and RAP are under preparation for Component 1. Given the particular situation in Haiti, the team seeks the deferral of the completion of ESIA and RAP. Preparation was substantially delayed due to capacity constraints compounded by political transition and Hurricane Matthew (a category 4 hurricane), which caused damages and losses equivalent to 22% of GDP and absorbed much of Government's attention and already limited capacity through early 2017. Taken together, these factors caused extensive delays in project preparation. Government's slow contracting and delivery of key technical studies delayed the preparation of the Resettlement Action Plan (RAP) and the Environmental and Social Impact Assessment (ESIA) for Component 1. The verification of land tenure status and socio-economic surveys for the RAP have been slow and are still ongoing.
Thoughdrafts of the RAP and ESIA for Component 1 became available end March 2017, a further study is also needed to adequately inform environmental safeguards documents for the disposal of sediments from dredging operations. Appropriation by Government and civil society of all of these elements requires an extensive consultation process which is essential to project success. Completion of all instruments is expected end 2017. The final approval and disclosure of the ESIA and the RAP would be considered a disbursement condition for Component 1 activities, in line with the flexibility afforded by OP 10.00 paragraph 12. This is to ensure adequate time to properly prepare, consult, and disseminate the ESIA and RAP.