

IDB Management response to the Request to the Independent Consultation and Investigation Mechanism (MICI-BID-HA-2017-0114) regarding the “Productive Infrastructure Program” (HA-L1076, HA-L1055, HA-L1081, and others)¹

1. The Productive Infrastructure Program – Background

- 1.1 The origins of the Infrastructure Program, project HA-L1055 (the first operation of a series of five grants financing the Caracol Industrial Park, the “program”) started when, the Government of Haiti, the United States Department of State (US-DOS), and the Inter-American Development Bank (IDB) signed an agreement (September 2008), to establish an industrial park at the core of the northern region, as part of the government’s decentralization policy to create other poles of economic activity in the country. The main goal of building the industrial park was to address key obstacles for private investment by providing a secure, professionally managed, operated, and well-maintained industrial park including: (i) a modern infrastructure and manufacturing facilities to be rented out to companies; (ii) a reliable supply of utilities (water, sanitation, and electricity); and (iii) logistics support and safe road access for importing and exporting activities.
- 1.2 After reviewing different location options (see sections 3.18 and 3.20 for more details on the decision-making process), the Government of Haiti decided to build the 250 hectares industrial park in Chabert, in the township of Caracol (see Figure 1). The construction of the PIC started on November 28th, 2011 under the management of the Ministry of Economy and Finance, through its Technical Execution Unit (UTE or *Unité Technique d’Exécution*). The Caracol Industrial Park (PIC) started operations on March 31st 2012² under the management of the UTE³ and on May 1st 2014 the tasks and activities essentially related to the management and operation of the PIC were transferred to the National Society of Industrial Parks (SONAPI or *Société Nationale des Parcs Industriels*) with the exception of the management of the domestic wastewater treatment plant, the repair for hidden defects during the warranty of the infrastructure and the repair for damages that could occur due to construction. The UTE remained responsible for all activities relating to construction and supervision of constructions in the PIC.

¹ We understand that the Request includes as primary projects: HA-L1055, HA-L1076, HA-L1081, HA-L1091 and HA-L1101.

² The first tenant started operating at the PIC on that date.

³ A memorandum of understanding (MOU) was signed on February 23rd 2011 between the SONAPI and the UTE in order for the UTE to manage the operation of the PIC for an initial period of 18 months which was then extended through an amendment to the MOU. In addition, the MEF and SONAPI signed another amendment to further detail their respective roles and responsibilities in the implementation of the Bank financed program (*Avenant No. 2 au Protocole d’Accord du 23 février 2011 entre le MEF et la SONAPI*).

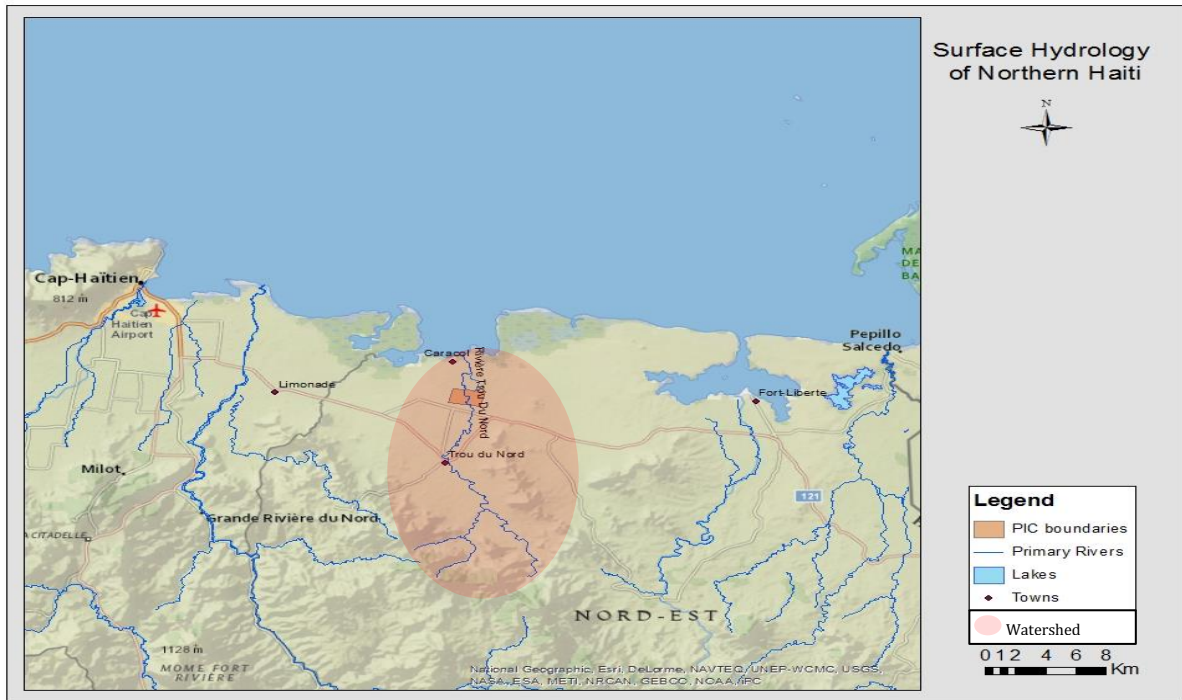


Figure 1 – Surface hydrology of Northern Haiti and PIC boundaries

- 1.3 The first IDB-financed operation in support of the PIC “Infrastructure Program” (HA-L1055; 2552/GR-HA) consisted of a grant of US\$55 million, approved on July 25th, 2011. It was designed to finance: (i) initial park infrastructure, including a perimeter wall, a water treatment plant⁴, a temporary domestic wastewater treatment plant, a temporary solid waste facility, an access road, 1.5 kilometers of internal roads, and other utility networks; (ii) four industrial buildings; (iii) an administration building, a 45-room dormitory, and a large canteen; (iv) social and environmental mitigation measures and studies, including the Cumulative Impact Assessment (CIA)⁵; and (v) a compensation plan for project affected people (PAP). This project is 100% disbursed (see Table 1).
- 1.4 The second operation “Productive Infrastructure Program” (HA-L1076; 2779/GR-HA) was approved by the Bank on September 12th, 2012. This second grant of US\$50 million finances: (i) four additional industrial buildings; (ii) four smaller utility buildings (to accommodate boilers, an industrial laundry, and two canteens); (iii) a permanent waste water treatment plant and a solid waste management facility; (iv) an operation and maintenance management firm and an environmental, health, and safety manager for the park; (v) support for the worker’s transportation system; (vi) further social and environmental studies and mitigation measures, including the support for the establishment of a national park to protect the Caracol Bay; and (vii) small scale urban investments in the cities adjacent to the PIC. The grant is 89.42% disbursed (see Table 1).

⁴ It is designed to provide industrial water and potable water for the PIC.

⁵ See <http://www.iadb.org/projectDocument.cfm?id=37301065>.

- 1.5 The third operation “Productive Infrastructure Program II” (HA-L1081; 3132/GR-HA) was approved by the Bank on December 16th, 2013. This third grant of US\$40.5 million finances: (i) the construction of additional industrial buildings, worker canteens and other service facilities, internal roads and utility networks within the PIC; (ii) small civil works’ projects outside the PIC (mainly access roads to nearby cities); and (iii) studies and continuing management support for the PIC. The grant is 70.55% disbursed (see Table 1).
- 1.6 The fourth operation “Productive Infrastructure Program III” was separated in two grants (HA-L1091 and HA-G1035; 3384/GR-HA and GRT/HR-15509-HA) which were approved by the Bank on December 11th, 2014 and March 3rd 2016 respectively. This total grant of US\$70 million finances: (i) additional industrial and utility buildings and service facilities (e.g., canteens, and dormitories); (ii) an expansion of the PIC’s site infrastructure and equipment; (iii) small scale urban projects in the communities surrounding the PIC; and (iv) support for the SONAPI to help fund the PIC’s operation and maintenance. Currently the grant is 92.18% disbursed (see Table 1).
- 1.7 The fifth operation “Productive Infrastructure Program IV” (HA-L1101; 3623/GR-HA) was approved by the Bank on December 14th, 2015. This grant of US\$41 million will finance further expansion of the PIC (buildings and related infrastructure) essentially to respond to the expansion plan of the anchor tenant, including: (i) large factory buildings (11,776 m² each) to accommodate industrial activities, one canteen, and two boiler rooms; (ii) expansion of the park’s infrastructure and equipment (expansion of internal roads and the water and drainage networks); (iii) civil works for the protection of the Trou-du-Nord River bank at its crossing of the PIC; and (iv) civil works’ supervision. As with the fourth operation it will also finance operational support to SONAPI (US\$1.3 million). See Table 1 for more details.

Operation Number	Name of the Operation	Approval Date	Eligibility Date	Grant amount (US\$ million)	Disbursed (%)	Undisbursed balance (US\$ million)
HA-L1055 2552/GR-HA	Infrastructure Program	07/25/11	10/7/11	55	100%	0
HA-L1076 2779/GR-HA	Productive Infrastructure Program	09/13/12	01/31/13	50	89.42%	5.29
HA-L1081 3132/GR-HA	Productive Infrastructure Program II	12/13/13	05/14/14	40.5	92.38%	3.09
HA-L1091 3384/GR-HA	Productive Infrastructure Program III	12/11/14	08/24/15	70.3 (55 +15.3 US co-financing)	70.55%	20.7
HA-L1101 3623/GR-HA	Productive Infrastructure Program IV	12/14/15	Not yet eligible	41	0%	41

Table 1 – Status of PIC Operations

- 1.8 Currently the eligibility to start disbursements of the last PIC operation (HA-L1101) and eligibility to start disbursements to the SONAPI of the prior PIC operation (HA-L1091) have not yet been granted due to the non-fulfillment by the SONAPI of specific environmental, social, health and safety (ESHS) contractual conditions set forth in grant agreements 3384/GR-HA (HA-L1091) and 3623/GR-HA (HA-L1101).⁶ An Action Plan⁷ was prepared in the August 2016 to meet those conditions but delays in its implementation have led to the IDB not granting eligibility for both grants.
- 1.9 As of December, 31st 2016, the PIC has more than 165,000 square meters of industrial space. As of December 2016, SONAPI has signed seven tenancy agreements with companies manufacturing apparel, paint, sisal products, fragrance, and soft accessories. The PIC's workforce has expanded rapidly since the opening of the PIC at the end of March 2012; today it employs 10,900 workers (including 989 contractors and service providers), 60% of which are female.⁸ The PIC is served by a transportation fleet that carries approximately 8,500 people to work each day⁹, has opened six kiosks in the surroundings of Trou-du-Nord, Caracol, Limonade, Terrier Rouge, Cap Haitien and Fort Liberté to contract local workers, and has facilities capable of producing and delivering water and electricity, as well as safe wastewater treatment (through the operation of a permanent domestic wastewater treatment plant since July 24th, 2014, the first of its kind in Haiti). Energy needs are met and serviced by a 10MW power plant built by USAID, which not only provides electricity for the PIC but also uninterrupted electricity for 8,800 customers in surrounding municipalities.
- 1.10 The IDB has provided substantial and constant support to UTE, SONAPI and other key government agencies (such as the Inter-Ministerial Committee for Territorial Development and the Ministry of Environment) to address environmental, social and health and safety matters associated with the construction and operation of the PIC. Such support was provided through the grants of the PIC program or through additional technical assistance financed by the IDB, and, including in the following areas:
- Preparation and implementation of a resettlement plan;
 - Extensive consultations and engagement with the local communities;
 - Preparation of a Cumulative Impact Assessment¹⁰ and Regional Comprehensive Plan¹¹ for the provision of basic services to the communities in the zone of direct and indirect impact;

⁶ In particular, (i) the slow implementation of the key documents of the ESHS management system, (ii) inadequate management of the temporary solid waste facility, (iii) the slow implementation of the hazardous waste management plan, (iv) the slow implementation of an adequate food provisioning system, and (v) the slow implementation of the emergency response plan.

⁷ The Action Plan covers specific actions that need to be undertaken by the SONAPI to, among others, improve the emergency response, solid waste management, stakeholder engagement and grievance mechanism, transportation, and site security and access.

⁸ See 2016 Q4 PIC YE Report.

⁹ The Haitian law requires employers to provide transportation to workers free of charge in non-urban industrial area.

¹⁰ Both documents (the initial CIA and updated CIA) are available on the IDB website:

<http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1076>.

¹¹ Cap Haitien - Ouanaminthe Development Corridor Regional Comprehensive Plan.

- Preparation of hydrological studies for the protection of ground and surface water potentially affected by the operation of the PIC;¹²
- Provision of solid waste management services;
- Provision of transportation, water, and food services for workers;
- Establishment of an environmental, social, health and safety (ESHS) management system for the construction and operation¹³ of the PIC in 2015.
- Creation of the Three Bays National Park (PN3B)¹⁴ in February, 2014, and continued support in the preparation of its management plan to ensure protection of marine and coastal resources from any potential impacts associated with the operation of the PIC.¹⁵
- Preparation of a Gender Report 2014-2015 and a Gender Action Plan for 2016 and beyond for the PIC to improve gender aspects specifically for (i) the understanding of national and international labor laws, (ii) the development of training and gender awareness sessions, (iii) designing lactation rooms, (iv) gender equality at all levels of employment, and (v) solutions for feminine hygiene at the PIC.
- Construction and operation of a domestic wastewater treatment plant to treat domestic wastewater of the PIC and prevent contamination of ground and surface water resources.
- Preparation of a Disaster Risk Assessment (DRA) and Disaster and Climate Change Risk Assessment (DCCRA) for the PIC.¹⁶

The IDB has been providing ongoing support, for both the construction and operation aspects of the PIC. For the supervision of construction activities, the UTE has contracted a supervision firm (SNC Lavalin under the first two grants of the program and BETA Engineering for the following two). In addition, there have been at least quarterly visits by the Environmental Safeguards Unit (VPS/ESG) of the Bank – directly or through consulting firms.¹⁷ Action plans¹⁸ have been developed over the course of the construction and operation of the facilities to address ESHS concerns identified by site visits and consultant reports.

¹² See Annex 1 for a complete list of water studies/assessments.

¹³ The ESHS management system key documents for PIC operation include: the ESHS Management System Manual; Emergency Preparedness and Response Procedure; Nonconformity handling; Waste Management Procedure, Instruction and Guideline; Handling and Storage of Chemicals Procedure and Instruction; Community Grievance Mechanism Procedure; Workers and Community Transportation Management and Safety Procedure and Instruction; Site Access and Security Procedure; Stakeholder Engagement Procedure and Instruction; Workers Transportation Safety Procedure within the PIC; and Occupational Health and Safety Procedure.

¹⁴ The PN3B is located to the north of the PIC (see Annex 2 for PN3B location map)

¹⁵ The Rapid Ecological Baseline and Baseline Ecological Inventory for PN3B are available on the program webpage (see: <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1081>) and the Socio-Economic Baseline is expected to be completed mid-2017.

¹⁶ The Disaster Risk Assessment (DRA) was prepared in 2013 and the Disaster and Climate Change Risk Assessment (DCCRA) was prepared in July 2016 (the DCCRA is in the final review stage before it is shared with the key stakeholders).

¹⁷ Supervision reports and aide-memoires were prepared with specific recommended actions.

¹⁸ Action plans have been developed as part of the ESMRs for operation HA-L1076, HA-L1081, HA-L1091 and HA-L1101. In addition, specific action plans were developed for construction and most recently for operation (the latest dated of December 2016 for the SONAPI in connection with operation HA-L1091).

2. The Request

- 2.1 On April 15th 2016, the IDB Haiti Country Office received a letter from *Kolektif Peyizan Viktim Tè Chabè (CPVTC)*, *Action pour la Reforestation et la Défense de l'Environnement (AREDE)*, *ActionAid Haïti*, *Tèt Kole Ti Peyizan Ayisyen* and *Platfòm Je Nan Je* requesting more details on the PIC resettlement process and compensation to do an evaluation/audit. The letter focused on the resettlement and more specifically on the compensation calculations, the number of affected families and the compensation amounts, the choice of compensation (land for land versus cash for land), and consultation with the natural leaders.¹⁹
- 2.2 A meeting between ActionAid Haiti, the CPVTC, the AREDE, the UTE and the IDB was held on the 5th of May 2016 to go over the information requested. The eight items listed below were discussed and responses were given verbally and in writing through an Aide-Memoire²⁰ sent to the participants by the UTE on May 30th, 2016:
- Compensation calculation method for food security and other immediate, transitional and long term compensation.
 - Revaluation of the compensation amounts.
 - Specific measures to ensure the respect of the right of women member of families affected by the PIC and the maintenance and strengthening of their living conditions.
 - Detailed list of the number of affected families and related financial and other types of compensation as well as availability of copies of the signed agreements.
 - Justification of switch from land-for-land to cash-for-land compensation.
 - Justification of unavailability of land in smaller plots than the one at Fond-Blanc/Glaudine.
 - Additional consultations held in 2013 proposing other alternatives to the land-for-land compensation, detailing specifically each option per family.
 - Process to identify natural community leaders that represented the affected persons including for the signature of the framework agreement of September 9th 2011 and the new compensation plan of September 2013.²¹
- 2.3 On June 29th 2016, a second letter was sent by the same organizations to the IDB Haiti Country Office. The letter alleged that the Resettlement Action Plan (RAP), implemented by the UTE, did not fulfill the obligations of the IDB's operational policies in several aspects related to the RAP and compensation; and they requested to hold another meeting in July 2016 to present their specific claims.
- 2.4 On July 6th 2016 a response was sent by the IDB explaining that the UTE had just started the process of hiring a firm to do an evaluation of compliance with the RAP regarding the social

¹⁹ The Association of Natural Leaders of Caracol and of the Trou du Nord (ALNC-TDN) or Natural Leaders, was created by the people and communities affected by the PIC (see section 3.9 for more details).

²⁰ See Annex 3: *Réunion de partage d'informations BID/UTE/ACTION AID/AREDE/CPVTC – Aide-Mémoire*.

²¹ See sections 3.10 to 3.13.

and economic conditions achieved or maintained among the resettled and affected communities. In addition, the IDB indicated that it was willing to have a discussion with the organizations and the Ministry of Economy and Finance (MEF) if it was invited by the MEF to do so.

- 2.5 On July 10th 2016 Action Aid Haiti sent a letter to the IDB and UTE in response to the letter sent July 6th, 2016, alleging that: (i) there was non-compliance with the RAP requirements with respect to the timing of the resettlement audit, and (ii) interviews with the families of the victims²² were being done without participation from the committee elected by the CPVTC. The letter also reiterated that CPVTC had some demands before the start of the resettlement audit (schedule another meeting, share the Terms of Reference of the audit, involve the CPVTC in the evaluation process, ensure that the evaluation consider the citizen evaluation realized by the CPVTC and share the evaluation/audit timeline and consultations related to the CPVTC).
- 2.6 On July 26th 2016 the UTE sent a letter to the Action Aid Haiti director responding to her additional questions and concerns specified in the July 10th letter. The response focused on explaining that (i) the implementation of the RAP for the people affected by the PIC who chose the housing option is still ongoing as the houses are in the final stages of construction and are expected to be available in March 2017, (ii) there are interviews in the Caracol and PN3B area for other studies related to the PIC (the socio-economic baseline for the use of natural resources and analysis of socio-economic situation in the PN3B area, and evaluation of the program impacts), and (iii) the evaluation of compliance with the RAP²³ will be done in a participative manner with the project affected people (PAP) and any other stakeholder present in the area (including Non-Governmental Organizations and local organizations).
- 2.7 On September 7th, 2016, the UTE received a letter from the organizations²⁴ (copying the IDB) acknowledging the receipt of the responses and additional information provided regarding the compensation and hoping to meet again to go over the specific consultation and participation demands. However no further contacts or more specific claims were received by the UTE thereafter.
- 2.8 In addition to the issue raised by the different organizations in the different letters referred to above, the Request submitted to the IDB's Independent Consultation and Investigation Mechanism (ICIM) dated January 12th, 2017 (MICI-BID-HA-2017-0114) asks for a compensation verification and complaint mechanism, specific support to families (for education) affected by the program, and a new consultation process for current environmental and social risks. Those issues were not presented previously to Management by the requesters and are new to Management.

²² We assume the victims refer to the people whose livelihoods were affected by the construction of the PIC.

²³ See paragraph 3.4.

²⁴ The organizations are: *Kolektif Peyizan Viktim Tè Chabè (CPVTC)*, *Action pour la Reforestation et la Défense de l'Environnement (AREDE)*, *ActionAid Haïti*, *Tèt Kole Ti Peyizan Ayisyen* and *Platfòm Je Nan Je* and *ActionAid Haiti*

- 2.9 Furthermore, one of the operations listed in Annex 3 (HA-L1106) of the Request has not been approved by the Board of Executive Directors of the IDB and should therefore not be considered by the ICIM in connection with the eligibility of the Request.
- 2.10 As evidenced in the sections above, the Bank has the highest level of commitment to ensure the success of the PIC and the effective management of any potential negative environmental and social impacts. Management remains committed to the task of supporting and supervising the executing agencies of the program to ensure that affected communities are heard and engaged, and that their concerns are addressed. In this respect, and given that several issues had not been previously raised in meetings with the IDB, Management would like the opportunity to further engage with the requesters to facilitate the resolution of their concerns through the framework of the ICIM's Consultation Phase.

3 Management's perspective with respect to the allegations submitted by the requesters

- 3.1 Addressing the environmental, social, health and safety (ESHS) issues associated with the construction and operation of the PIC has been a considerable challenge. While the construction and operation of facilities such as those in the PIC is not usually considered high risk, managing the environmental and social aspects the PIC during the preparation and execution of the Bank-financed operations has been highly complex due to high contextual risks. Particularly the main challenges have been: (i) weak social and environmental legal frameworks in Haiti, (ii) limited capacity of government agencies for licensing and enforcement of ESHS aspects, (iii) the short time frame for the design, approval and start of construction and operation of the facilities to create employment after the 2010 earthquake, (iv) lack of clear land tenure legal framework, and (v) extremely limited social and environmental baseline information.
- 3.2 Considering these challenging conditions, the IDB allocated significant resources to mitigate those shortcomings to the greatest extent possible. In total IDB allocated more than US\$4 million for the preparation of studies and support of environmental and social activities in addition to the contracting of in average three environmental and social specialists²⁵ to support the program. These resources were employed to align the program with the Bank's safeguard policies, including the following:
- The preparation of a resettlement plan, identified as the Resettlement Action Plan, providing PAP with fair and adequate compensation and rehabilitation as set forth in the Involuntary Resettlement Policy (OP-710). In this respect, the RAP contained (i) an estimate of the number of people to be resettled based on sufficiently reliable data (366 people and their families were identified based on socio-economic, land ownership and use, and consultations); (ii) a definition of the various options to be made available under the compensation and rehabilitation package; (iii) an estimate of the number of people that would be eligible for each option; (iv) a preliminary

²⁵ At peak times, there were around 7 specialists.

budget and schedule of execution; (vi) a diagnosis of the viability of the regulatory and institutional framework, identifying issues to be resolved; (vi) evidence of consultation with the affected populations; (vii) the definition of the final package of compensation and rehabilitation options; (viii) the eligibility criteria for each option; and (ix) institutional arrangements that provided for the implementation of applicable local laws and regulations. Furthermore, the final budget for the implementation of the RAP was financed within the overall program's budget to fund compensation measures, consultation and involvement of local stakeholders, monitoring and evaluation, and a mechanism for the settlement of disputes.

- The consultations with the affected people and key stakeholders, which are documented in the RAP and the stakeholder engagement plan. Annex 1 of the RAP presents the consultation strategy used during the design and implementation of the RAP, the views of the PAP and stakeholders, the alternatives and choices made by the PAP, the engagement strategy, and the conclusions and recommendations of the consultations. In addition, Annex 2 and Annex 3 of the Environmental and Social Impact Assessment (ESIA) for the construction of the PIC (*Etude des Impacts Environnementaux et Sociaux (EIES) du Parc Industriel dans la Région du Nord d'Haïti*) describe the consultations, the views and concerns expressed by the key stakeholders.
- The development and implementation of various supporting activities to ensure environmental impacts of the program are minimized, in accordance with the Environment and Safeguards Compliance Policy (OP-703). Particular attention was given to the assessment and management impacts and risks to surface and ground water quality, natural resources, biodiversity and natural habitat, and solid waste, as well as to health and safety of workers and the surrounding community.

3.3 The following sections provide more details relating to specific aspects of the concerns raised in the Request:

Alleged inadequate resettlement of families affected by the construction of the PIC

3.4 The Request alleges that the resettlement of the individuals/families affected by the construction of the PIC was inadequate in aspects regarding compensation, consultation, grievance mechanism and evaluation of the implementation of the RAP. The resettlement activities related to the construction of the PIC meets almost all the requirements established in the IDB's Involuntary Resettlement Policy (OP-710), including the preparation of a resettlement plan, the community participation and the provision for a final evaluation. The next paragraphs provide more details about the measures that were taken to meet such requirements.

- 3.5 The land where the PIC is located was comprised of around 411 parcels used for mostly farming (most them between 0.25 and 1.5 hectare).²⁶ As stated in the RAP, the PAP by the construction of the PIC were people farming small parcels of land (exposed to loss of revenues from land cultivation as a result of the construction of the PIC) and seasonal workers and merchants of agricultural products. In addition, three homes (two existing and one under construction), a church²⁷ and some garden sheds and farming equipment were in the area and would be affected by the construction of the industrial park.²⁸
- 3.6 After the site in Caracol was chosen for the industrial park, the construction of a temporary fence around the perimeter of the site started on January 4th 2011 without prior consultation with the people affected by the construction of the fence.²⁹ The IDB advised to the Haitian Government that construction of the fence could not begin until consultation had started. Consultations were held on the 5th of January between the different stakeholders and affected people, and the construction of the fence resumed the 6th of January 2011. Fifty-three parcels out of the 85³⁰ affected by the fence had trees or gardens and, to determine the loss of temporary revenue three steps were undertaken: (i) the determination of the extent of the losses (identification of the size of the affected parcels), (ii) the adoption of a simplified form of individual assessment of loss of income, and (iii) the determination of the actual value of lost income for the 53 parcels. The temporary fence was constructed to ensure that the farmers who were not on the perimeter of the site could continue to have access to their plots and crops. The list of people and compensation amount for the loss of income affected by the fence was finalized in July 2011, protocols of agreement were signed that same month and compensation started thereafter.
- 3.7 To establish the policies, principles, and activities for delivering fair, expeditious and economically equitable resettlement and compensation for affected communities, a document³¹ (*Rapport d'Envergure du Plan d'Action de Réinstallation du Parc Industriel dans la Région du Nord d'Haïti*) was completed by Koios Associates in March 2011. The Koios document provides a determination of the people affected by the construction of the PIC, an overview of the resettlement impacts, the applicable legal framework (IDB policies and Haitian laws), potential compensation options, public participation and organizational requirements, timing and budget. During the preparation phase of the document, the consulting firm held public consultations from January 16th to 28th, 2011 with local authorities, actors of the civil society and with people occupying the site.³² More specifically on January 27th 2011, the consultants met with more than 250 people with houses on the

²⁶ See Resettlement Action Plan (RAP) available on the HA-L1055 operation webpage (see: <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1055>).

²⁷ To date, the church has not been destroyed and is still used. A new one has been built by UTE and is waiting for the formalization of an agreement between the religious community and the MEF to be handed over.

²⁸ See Resettlement Action Plan (RAP) available on the HA-L1055 operation webpage (see: <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1055>).

²⁹ See Annex 4 : « *Evaluation des pertes de revenus occasionnées par l'installation de la clôture provisoire du parc industriel de la région nord, Caracol, nord-est.* »

³⁰ Ibid

³¹ See Annex 5: *Rapport d'Envergure du Plan d'Action de Réinstallation du Parc Industriel dans la Région du Nord d'Haïti*.

³² The report describes that the most important meetings were held with the people.

site or farming activities on the site; in the meeting the consultants described the project, listened and captured comments, concerns and recommendations (as inputs to the document).

- 3.8 Based on the Koios document described in the previous paragraph, the consultant firm Erice AZ³³ prepared the resettlement plan, the RAP, and completed in September 2011. The RAP included (i) a socio-economic baseline of the people affected, both directly – the people farming the land where the PIC was going to be built, and indirectly – the people losing personal and community infrastructure (three houses, a church and equipment shacks), (ii) the eligibility criteria for compensation, (iii) the applicable legal framework, (iv) the different compensation options, (v) the institutional arrangements for implementation of the RAP, (vi) the socio-economic impacts of the PIC, including impoverishment risks for members of the affected communities, (vii) public consultations, (viii) timeline, and (ix) costs and monitoring and evaluation. The RAP identified 366 people and their families as being affected by the construction of the PIC which also included the people considered as vulnerable. In addition, the RAP described the different options available for compensation at that time (after consultations with the PAP) including: (i) land-for-land, (ii) creation and development of small and medium businesses and (iii) housing for the most vulnerable (51 individuals out of the 366 were considered most vulnerable at that time).
- 3.9 The consultants in charge of preparing the RAP had, throughout its elaboration, ongoing interactions and consultations with the PAP and other stakeholders,³⁴ as well as with the UTE intervening on behalf of the government. These consultations included the Association of Natural Leaders of Caracol and of the Trou du Nord (ALNC-TDN) and the Association for the Defense of the Rights of Workers of Caracol (ADTC). These two associations were created by the people and communities affected by the PIC. As stated in the RAP, *“People and communities affected by the PIC have committed to collaborate and organize for a fair and efficient implementation of RAP. They have created the Association for the Defense of the Rights of Workers of Caracol (ADTC) and the Association of Natural Leaders of Caracol and of the Trou du Nord, which interface and facilitate the various initiatives bringing the advancement and Implementation of the RAP”*.³⁵
- 3.10 On September 9th, 2011, a memorandum of understanding³⁶ was signed between (i) the UTE and (ii) the natural leaders’ association of Caracol and Trou-du-Nord and elected members of the town of Caracol (acting as representatives for the affected people).
- 3.11 Since the RAP established that the people affected be compensated with a plot of land near their original plot, which would be at least the same size or larger than the original plot, the UTE had to find land that would be able to meet those needs. In 2011, the Government of Haiti provided a parcel of land equal to around 400 hectares (larger than the 250 ha

³³ Erice AZ was a local firm hired through a competitive bidding process to prepare the RAP.

³⁴ See Annex 1 of the RAP.

³⁵ Text translated to English, originally in French in the RAP.

³⁶ See Annex 6: September 2011 Memorandum of understanding – *Protocole d’Accord*.

originally occupied for the construction of the PIC). However, as that land was found to be occupied, mostly by squatters including people who moved in after the announcement of the compensation, it was not possible to relocate the persons affected by the PIC to the new land. Between 2011 and 2013, negotiations were carried out by the UTE with this group of squatters to enable the Government of Haiti to provide the affected farmers with the land that had been proposed. However, UTE was not able to reach an agreement with the squatters. Therefore, an alternative was proposed, which was to provide cash compensation to the PAP for lost income as well as food security each year, from the time construction on the PIC began in November 2011, until a final resolution could be reached.

- 3.12 Considering the difficulties encountered and described above, the affected farmers expressed, through a survey carried out by UTE in mid-2013, their preference for cash compensation that they could use to invest in plots that they had outside of the PIC, buy land on their own, or invest in other businesses. Accordingly, discussions and negotiations began in August 2013 to complete the resettlement and finalize the compensation process.
- 3.13 After several consultations, directly with the PAP, on September 11th, 2013 and considering the results of the survey, the UTE and the natural leaders' association of Caracol and Trou-du-Nord signed an act of commitment (*Acte d'engagement*)³⁷ to finalize the compensation process which was agreed to be for US\$8,500.00³⁸ per hectare for the affected less-vulnerable people. Out of the 51 people who were identified as vulnerable people, 15 choose cash compensation and 36 were proposed different options that they could choose from: (1) a pension (through the *Office National d'Assurance* or ONA) for the people over 65 years-old (14 persons chose this option), (2) a letter of credit to allow the purchase of land to farm (11 persons chose this option), and (3) a house from the housing development that is being constructed by FAES (*Fonds d'Assistance Economique et Sociale*) in Terrier Rouge and Ouanaminthe (10 persons chose this option). The basis of calculations for the ONA and letter of credit included the indexation based on the consumer price index calculated by the IHSI (*Institut Haitien de Statistique et d'Informatique*). None of the houses offered under option 3 have been completed to this date, but they are expected to be ready in March 2017. As such, currently 10 vulnerable people are still receiving gap compensation³⁹ until they have access to their houses in the Terrier Rouge housing site. The detailed method of calculation for food security, as well as other immediate, transitional and long-term compensation was provided May 30th 2016 in the response sent to the organizations representing around half of the affected people.⁴⁰ It is important to note that this arrangement was reached after a lengthy consultation process that was carried out by the UTE directly with the PAP through assemblies, as well as in multiple meetings with their representatives.

³⁷ See Annex 7: September 2013 Act of commitment (*Acte d'engagement*).

³⁸ The final monetary compensation was calculated as follows: Loss of revenue from harvest per ha (determined by the Consultant (Eric AZ) that prepared the RAP) x Consumer price index (IHSI) x 5 years = 1,450 x 1.1725 x 5 = US\$8,500 per hectare.

³⁹ Gap compensation is monetary support given to the people until they receive their final compensation.

⁴⁰ See Annex 3.

- 3.14 Supervision of the implementation of the RAP and of the recommendations of the Social Impact Assessment (SIA) was done throughout 2011, 2012 and 2013 through regular reports by the RAP consultants and supervision visits by the IDB. After the Act of Commitment were signed and after 2013, monitoring was done through regular supervision visits by the IDB and the UTE specially to address the situation of the remaining vulnerable people yet to be compensated.
- 3.15 Stakeholder engagement has been an important part of the program. After the finalization of the RAP and signature of the 2011 memorandum of understanding the UTE established an office just outside the PIC until the agreement in 2013 was reached, with the permanent presence of a professional in charge of monitoring the implementation of the RAP, a social specialist, and a liaison officer, maintaining a steady line of communication with the affected people, receiving and dealing with their complaints. Furthermore a stakeholder engagement plan was prepared and reviewed by the IDB in November 2012.⁴¹ It established the national and international practices for stakeholder engagement, defined the project stakeholders, the various activities carried out and to be carried out (such as the availability of kiosks in the surrounding communities and public consultation activities with the different stakeholders), the implementation budget, as well as the establishment of a grievance mechanism for the program. The current grievance mechanism in place is managed by the SONAPI through the implementation of the ESHS management system.
- 3.16 As indicated in the IDB's Involuntary Resettlement Policy (OP-710), an evaluation of the implementation of the resettlement plan will be undertaken when the resettlement plan activities draw to completion. The evaluation will look at current living standards of the affected people (vulnerable and not vulnerable). The IDB will work closely with the UTE to ensure that the affected people and relevant stakeholders for the resettlement are consulted and participate in the evaluation of the resettlement plan implementation that is in the process of being contracted (the IDB gave its non-objection for the shortlist of five firms in mid-January 2017). The five firms will prepare technical and financial proposals and send them to the UTE in early March 2017 which will be reviewed by the UTE and the IDB. The contract is expected to be signed by the end of April 2017 and could take up to six months to be completed.
- 3.17 Considering the above, Management made its best efforts to have the program align with the requirements of OP-710 to ensure that fair compensation be provided to the PAP. The IDB continues to monitor closely compliance with the ESHS requirements stemming from the IDB policies and reflected in the grant agreements signed between the IDB and Government of Haiti for each operations of the program.

⁴¹ See Annex 8: *Plan d'Engagement des Parties Prenantes* (PEPP).

Alleged inadequate alternative analysis for the selection of the site

- 3.18 The Request alleges that inadequate alternative analysis was done for the selection of the site. As mentioned in section 3.1, the short time frame for the design, approval and start of construction and operation of the facilities presented challenges for the choice of the site. As detailed in the next paragraphs, steps were taken to meet the alternative analysis requirements of the IDB's Environment and Safeguards Compliance Policy (OP-703) and Involuntary Resettlement Policy (OP-710).
- 3.19 The IDB approved in August 2009 a technical cooperation (*HA-T1074: Development of the Industrial Park Model to Improve Trade Opportunities for Haiti*⁴²) to prepare an alternative analysis for the selection of the site for the Industrial Park in the North of Haiti as well as technical engineering and design studies.⁴³ Based on information from the DINEPA (*Direction nationale de l'eau et d'assainissement*), 18 sites were initially chosen, analyzed and scored taking into account the following criteria: (i) location (distance between site and cities/towns and port(s)), (ii) population density and the extent of human activity (agricultural, residential, commercial, etc.), (iii) availability of water and the possibilities for the discharge of wastewater, (iv) topography and soil quality, (v) proximity of ecologically sensitive areas, such as mangroves, (vi) land tenure (including potential land use conflicts), and (vii) availability of adjacent land to increase the size of the industrial park. Further studies on the sites looked at flooding. Considering those different parameters, three sites had the best scores. Those sites were located respectively (i) to the south of the city of Fort-Liberté, (ii) in the region of Madrasse (near the villages of Fleury and Chambert) and (iii) to the south of the National Route 121 around 6 miles to east of Limonade. After further review, the site next to Fort-Liberté was not considered due to (i) a lack of population, (ii) being further away from port facilities, and (iii) congestion close to the Dominican Republic and CODEVI.⁴⁴ Concerns about noise, closeness to the Limonade University and increased circulation of people and vehicles gave preference to the site in Caracol. Additional studies for water quality and availability as well as the risk of flooding, determined that the site in Caracol was the most appropriate.
- 3.20 In addition, the ESIA⁴⁵ included a section on the alternative analysis. The analysis described two options: (1) other locations for the industrial park, and (2) no project. The viability of the first option depended mainly on the issues cited in the previous paragraph and the Government's policy towards decentralization which led to the Caracol location. The "no project" option would have had a major impact in forgoing much needed job creation and the reputation of Haiti to attract investment (the pre-feasibility study indicated that direct and indirect employment could reach 80,000 people).

⁴² See <http://www.iadb.org/en/projects/project-description-title,1303.html?id=ha-t1074>.

⁴³ See Annex 9: *Development of the Industrial Park Model to Improve Trade Opportunities for Haiti*.

⁴⁴ CODEVI is an industrial park constructed in the mid-2000s in Ouanamitthe, having over 5 acres of land developed into industrial space, housing 5 apparel manufacturing business lines.

⁴⁵ See <http://www.iadb.org/Document.cfm?id=36185911>.

- 3.21 While the short time frame to design the operation and the uncertainty related to potential land use conflicts made the assessment challenging, the alternative analysis considered multiple criteria and variables for the selection of the site, based on the information available at the time.

Alleged inadequate disclosure timing of the resettlement action plan and environmental and social impact assessment

- 3.22 The Request alleges inadequate disclosure timing of the resettlement action plan and environmental and social impact assessment. As mentioned in section 3.1, the short time frame for the design, approval and start of construction and operation of the facilities presented challenges to prepare in a timely manner the different assessments. As detailed in the next paragraphs the ESIA was disclosed on the IDB website prior to the approval of the operation by the Board of Executive Directors of the Bank.
- 3.23 Section 3.7 indicates that the Koios document on the scope of the resettlement action plan for the industrial park in the North of Haiti (*Rapport d'Envergure du Plan d'Action de Réinstallation du Parc Industriel dans la Région du Nord d'Haïti*) was finalized in March 2011. It describes the principles and policies to ensure a fair, fast, and adequate compensation of the PAP by the construction of the PIC and provide a framework for the preparation of the Resettlement Plan.
- 3.24 The ESIA was disclosed on the IDB website on May 19th, 2011, prior to the approval of the operation by the Board of Executive Directors of the IDB on July 15th, 2011. During the preparation of the ESIA, consultations were held in January 2011 with different stakeholder (see Annex 2 and Annex 3 of the ESIA) and their views were taken into consideration in the preparation of the ESIA. A public meeting was held on September 15th, 2011 in Caracol to disclose the ESIA, the Environmental and Social Management Plan and water studies. There were over 200 participants in attendance from local communities, as well as officials from the Ministry of Environment, the SONAPI, and the *Comité Interministériel d'Aménagement du Territoire* (CIAT). Additional consultation meetings on the ESIA were held by the UTE in October, November and December 2011, as well as January 2012 in Caracol, Limonade, Terrier Rouge, Quartier Morin, Fort Liberté, and Trou du Nord. The UTE also put in place an information and communication campaign on the key environmental and social assessments (such as the RAP, ESIA and CIA) between 2011 and 2012 with information kiosks, preparation of leaflets in Creole, French and English, radio and television ads.
- 3.25 The Environmental and Social Management Report (ESMR)⁴⁶ for the first PIC operation (HA-L1055) describes the environmental and social procedures applicable to manage the impacts and risks of the program; it further describes as well the environmental and social impacts, as well as risks and mitigation measures. Finally, the ESMR contains a draft resettlement

⁴⁶ See <http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35413394>.

framework and details on the environmental evaluation of the operation. The ESMR was published on the IDB website as part of the Grant Proposal package on July 26th, 2011.

- 3.26 The RAP⁴⁷ was completed in September 2011 and disclosed on the IDB website on March 26th, 2012.

Alleged failure to provide information on environmental and social impacts and risk and their management

- 3.27 The Request also details broader environmental and social concerns unrelated to the land acquisition and resettlement process and not previously brought to the attention of Management, including concerns related to pollution, impacts to the PN3B, impacts to groundwater and the Trou-du-Nord River, and other social concerns. In this regard, Management details below the actions that have been (and in some cases still are) undertaken to meet the requirements of the IDB's Environment and Safeguards Compliance Policy (OP-703). This is Management's perspective that the requirements of the Environment and Safeguards Compliance Policy (OP-703) in relation to pollution prevention and natural habitats through the additional protection of PN3B have been met.

Concerns related to water quality and impacts to the Trou-du-Nord River

- 3.28 The importance of protecting ground and surface water resources from potential impacts of the PIC has been a primary focus of environmental management efforts to date. Prior to the start of operation (on July 24th 2014) of the permanent domestic Waste Water Treatment Plant (WWTP) which treats domestic effluents from the PIC facilities, two temporary plants were designed and built for waste water treatment. The first had the capacity to treat 130 m³ of wastewater per day, with the effluent to be discharged to infiltration beds, and was designed to meet the requirements of the IFC EHS General Guidelines. Due to ongoing delays in the construction of the permanent domestic WWTP and reluctance to halt the expansion of the PIC already in progress, a second temporary system was built with a capacity of 250m³ per day (but a cap at 150 m³ was put in place) and was composed of a septic system consisting of settling tanks and a drainage field within the PIC. Because of the risk of potential contamination of water resources related to the limitations of the temporary systems, groundwater quality was analyzed to ensure it was not contaminated by the two systems, and no contamination was detected. Since those temporary systems did not meet the requirements of directive B.11 of the Environment and Safeguards Compliance Policy (OP-703) regarding effluent discharge standards. A temporary waiver⁴⁸ for compliance with directive B.11, accompanied with close monitoring and other specific mitigation measures, was requested by Management, until the permanent domestic WWTP is completed and the effluent discharge standards of Directive B.11 are achieved.

⁴⁷ The Resettlement Action Plan (RAP) is available on the HA-L1055 operation webpage (see: <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1055>).

⁴⁸ Such waiver was approved by the Board of Directors of the IDB on December 16th, 2013.

- 3.29 The permanent domestic WWTP started operation on July 24th, 2014 and started discharging to the Trou-du-Nor River on September 23rd 2015.⁴⁹ The WWTP was designed to comply with international standards (the IFC EHS Guidelines for Textile Manufacturing⁵⁰), and began meeting discharge standards in January 2016 after its calibration period. Throughout the operation of the PIC a water monitoring program has been in place. This included developing a water quality baseline of the Trou-du-Nord River (based on measures between October 2013 and April 2014) and the monitoring of the Trou-du-Nord River between June 2015 and July 2016.⁵¹ In addition the WWTP operator continues to monitor monthly the quality of the effluent at the end of the treatment process to ensure it complies with the IFC EHS Guidelines. The results⁵² thus far have demonstrated that the WWTP complies with these guidelines.
- 3.30 In addition to previous community consultations activities, actions are being taken to ensure that the local communities are informed and engaged on the issue of water quality. In 2015 and 2016 the ESHS team of SONAPI held meetings with the different communities explaining the treatment process of the new WWTP. In addition, surrounding community members visited the WWTP at least 8 times between 2015 and 2016 and were explained the WWTP process. A communication plan was prepared in 2015 to respond to concerns of the communities and stakeholders regarding water quality. A monitoring committee with 11 members representing the communities was created on June 10th, 2015 to assist with the proper communication and implementation of the plan. In early 2016, the IDB, through its supervision efforts, realized that flow of information between the key stakeholders – the SONAPI, INCATEMA (the WWTP operator), the UTE and the committee – was irregular; therefore it prepared terms of reference (*Assistance Technique pour la Renforcement du Comité de Surveillance Participative de la Qualité de l'Eau du Bassin Versant de Trou du Nord à Caracol*) to contract a firm to work with the communities and key stakeholders (SONAPI, INCATEMA, UTE) to identify the water quality-related issues, prepare, implement and monitor a participatory monitoring plan for water quality of the Trou-du-Nord River. The SONAPI is in the process of hiring the firm (expected by end of March 2017).
- 3.31 Under the HA-L1101 operation the UTE has planned erosion control works to ensure that natural erosion of the Trou-du-Nord River is controlled within the PIC boundaries. The need for those measures was identified by the UTE in early 2016 and was confirmed by the Disaster and Climate Change Risk Assessment (DCCRA) for the PIC,⁵³ prepared in July 2016. The DCCRA will be disclosed once the final inputs from key stakeholders are received (planned for early 2017).

⁴⁹ Regular effluent started in February 2016.

⁵⁰ See IFC ESH Guidelines for Textile Manufacturing:

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/ri+sk+management/ehsguidelines.

⁵¹ The SONAPI is in the process of contracting a firm to continue measuring the water quality of the Trou-du-Nord River.

⁵² See Annex 10 for more information on the Trou-du-Nord River water quality results.

⁵³ See Annex 11 for more information on the WWTP effluent quality testing.

Concerns on impacts to groundwater

- 3.32 The IDB in collaboration with the UTE has done several studies and assessments⁵⁴, to establish groundwater availability to meet the needs of the communities and the PIC. The ENVIRON study⁵⁵ of August 2011 indicates that “preliminary estimates suggest there is ample groundwater available to meet the site's demands for both phases of the development” and “given the large size of the aquifer, additional demands for groundwater from current and future users are unlikely to impact overall groundwater reserves.” The study also looked at the future needs of the population of the region and it concluded that the PIC’s impacts on groundwater are “negligible in terms of the impact of current and future domestic water demand on groundwater reserves.”
- 3.33 Groundwater quality has been measured between February 2013 and July 2015 using four piezometers including one located in the current well in operation. Results showed that groundwater quality was good and we estimate that it will continue to be in the foreseeable future. Monitoring will continue in the coming years to test the quality of the water.

Concerns related to the Three Bays National Park

- 3.34 The IDB has worked with the Government of Haiti to put in place programs to ensure the protection of the Caracol Bay. A significant element to minimize and mitigate indirect impacts related to the establishment and operation of the PIC was the IDB’s support to the establishment of the Three Bays National Park (PN3B). This support included: (i) allocation of budget from the HA-L1076 and HA-L1091 grant operations to finance various studies and infrastructure, equipment, and personnel for the management of PN3B, and (ii) approval of a technical cooperation (HA-T1180 – Mitigating the Environmental Impacts of the PIC in the Caracol Bay) to mitigate environmental impacts of the PIC in the Northern Region of Haiti, especially in the Caracol Bay. Studies finalized included: (i) the Rapid Ecological Baseline – Trou-du-Nord⁵⁶, and (ii) the Baseline Ecological Inventory for the PN3B, including a Stakeholder Analysis and a Threats Assessment.⁵⁷ Studies underway to facilitate the effective management of PN3B include: (i) alternative livelihoods contracts for the design and implementation of environmental education, community engagement and environmental monitoring in PN3B, and an economic development and value chain analysis; (ii) a study of ecosystem service values and vulnerabilities to climate change and disaster risk in the Three Bays Protected Area. These studies are critical elements that will complement the implementation of the PN3B Management Plan which is currently being developed by The Nature Conservancy (funded by USAID) and demonstrates IDB’s commitment to ensure that measures are implemented to protect the area’s natural resources and improve the well-being of the communities that live in the PN3B itself.

⁵⁴ See Annex 1 for the list of water studies/assessments.

⁵⁵ Ibid

⁵⁶ See <http://www.iadb.org/Document.cfm?id=38957723>.

⁵⁷ See <http://www.iadb.org/Document.cfm?id=40707195>.

Concerns in regards to other environmental quality issues

- 3.35 The main roads outside of the PIC are paved and most the traffic goes through the main roads. The only road that is not paved is the one on the eastern entrance. This entrance is rarely used therefore dust emissions from transport are limited.
- 3.36 Currently all the non-hazardous waste generated at the PIC from operation activities is transported to a temporary location in Madrasse. Currently the recyclable waste (plastic and cardboard/wood) is being collected by recyclers from Cap Haitian to increase the life of the landfill. The IDB is preparing an operation (HA-L1106 – Solid Waste Management and Urban Improvement in Northern Haiti⁵⁸) to improve waste management in the North, including the construction of a landfill in Limonade and a collection system in Cap Haitian, several other *Communes* (such as Limonade and Quartier Morin) and in the PIC.
- 3.37 Hazardous waste at the PIC is generated on a very limited basis (mainly oil drums, and batteries); nevertheless, the IDB has required that a hazardous waste storage facility be built to ensure adequate storage of the waste before it is adequately treated. Currently the hazardous waste of the PIC's construction firm is being stored in the firms' camp following specific procedures of separation and storage. Some hazardous waste (used oil drums) is being sent to Port-of-Prince to be treated. A request for proposal has been sent for the design and construction of a facility inside the PIC (to be managed by the UTE and financed by IDB funds). It is expected that the facility will be completed by mid-to-end 2017.

Concerns on other social risks

- 3.38 The November 2015 ESMR for the HA-L1101 operation notes that, while it was possible that the PIC would lead to rapid growth and migration, these impacts do not appear to have materialized, particularly in the form of new settlements. Nonetheless, to mitigate these potential risks and help the Government of Haiti and local communities anticipate potential population growth, starting in 2013 the IDB carried out studies to understand urban and population growth, future mobility demand, and a study of exposure to natural hazards and the impacts of climate change. Together, these technical studies have helped develop recommendations for land use planning and urban management in the four communes closest to the PIC — Limonade, Caracol, Terrier Rouge and Trou-du-Nord. These studies and the final planning recommendations were financed by technical cooperations⁵⁹ funded from the IDB's Sustainable Cities Initiative⁶⁰ and another technical cooperation⁶¹ executed by the UTE. The technical studies are available at this link: http://bit.ly/NorthHA_Urban_Studies. The final land use planning recommendations for the four communes above mentioned will

⁵⁸ See <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-I1106>.

⁵⁹ The TCs are: HA-T1185 (Haiti's Northern Development Corridor - Implementation of ICES), HA-T1186 (Haiti's Northern Development Corridor - Implementation of ICES) and HA-T1196 (Sustainable Mobility Plan & Preinvestment projects for Haiti's Northern Corridor)

⁶⁰ www.iadb.org/cities

⁶¹ HA-T1083 (see <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-T1083>).

be finalized by the end of the second quarter of 2017. As for the environmental aspects discussed above, the IDB has also taken early actions to mitigate the potential social risks.

- 3.39 The IDB financed a cumulative impact assessment (CIA) and the updated CIA⁶² to look at those broader risks. The IDB, under the technical cooperation HA-T1209 (Strengthening of the PIC's Environmental, Health and Safety Capacity⁶³), is in the process of contracting a firm to propose action to move forward with the implementation of the measures described in the updated CIA and will involve key stakeholders in the North of Haiti to ensure the measures are relevant and implementable on the ground. The IDB also financed the Regional Comprehensive Plan that addresses development and growth projected in the Cap-Haïtien – Ouanaminthe Development Corridor region, focusing on the near-term planning horizon through 2030 and looking specifically at resource protection, economic development, infrastructure support and capacity building.

4 Management Action

- 4.1 Management understands that the purpose of the Request is to obtain support through the ICIM's Consultation Phase to provide a framework for more structured engagement. Management agrees that continuous engagement to identify the key issues and work towards solving them is important and welcomes the invitation for the consultation phase.
- 4.2 Nevertheless, Management would like to note that the following areas of concerns and related request have not been previously brought to its attention by the requesters and should therefore not be deemed eligible under section 22.d. of the ICIM policy (MI-47-6): (i) the creation of a compensation verification and complaint mechanism, (ii) the request for specific support to families (with education support) affected by the program, and (iii) the request for information on environmental and social impacts and risk and their management specifically related to harm to the Trou-du-Nord River, harm to Caracol Bay, reduced availability and pollution of groundwater, air pollution, soil and land pollution, poor employment conditions at the PIC and other social impacts from the influx in population.

5 Annexes

- 5.1 Annex 1: List of key water studies/assessments

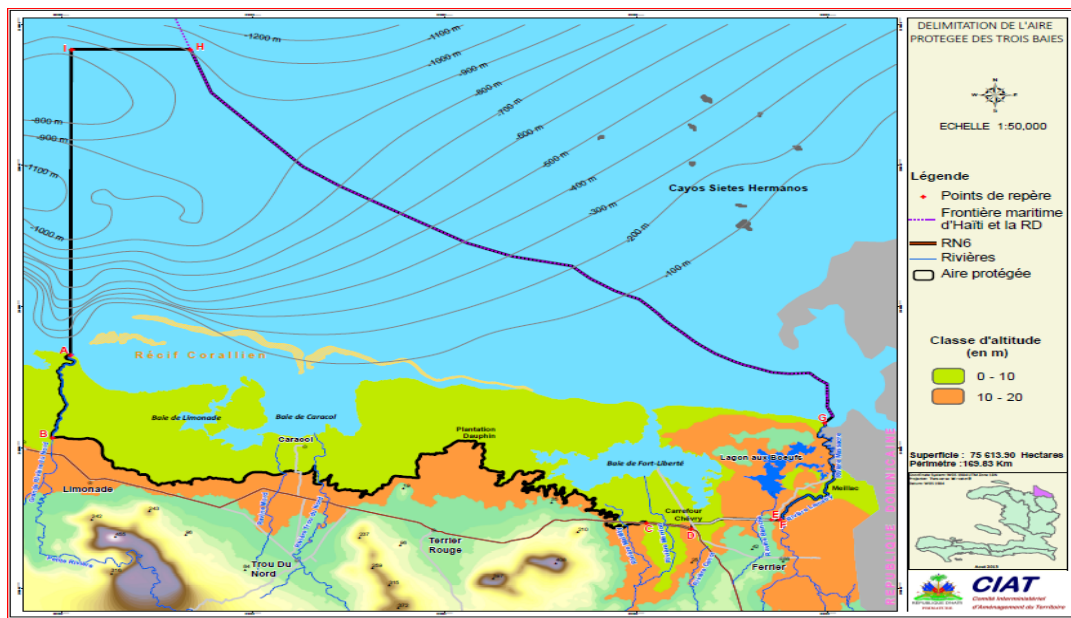
- Développement et gestion des ressources en eau (I) (UNDP) – 1991
- Développement et gestion des ressources en eau (II) (UNDP) – 1991
- Prospection géophysique pour la recherche de l'eau souterraine en Haiti (UNDP) – 1991
- Water Resources Assessment of Haiti (US Army Corps of Engineers) – 08/1999
- Geology and hydro-geology Study- Université Quisqueya – 12/2010
- Estudio Acuífero Sitio 15 (EPSA- LABCO) – 03/2011

⁶² See <http://www.iadb.org/Document.cfm?id=39970805>.

⁶³ See <http://www.iadb.org/en/projects/project-description-title.1303.html?id=HA-T1209>.

- Étude de la demande, source, traitement et disposition d’eaux pour un parc industriel en Cap Haïtien- Haïti (Louis Berger) – 04/2011
- Analyses de l’eau souterraine et de surface (FAMV) – 05/2011
- Rapport préliminaire d’étude géotechnique PIRN (Laboratoire National du Bâtiment et Travaux Publics (LNBP)) – 07/ 2011
- Preliminary Hydrological Assessment Final (ENVIRON) – 08/2011
- Addendum to the Preliminary Hydrological Assessment (ENVIRON) – 10/2011
- Summary report of drinking water supply system & wastewater treatment system (TITAN Engineering) – 03/ 2013
- Water Quality, Quality and Integrated Resources Management in Northern Haiti (Florida International University) – 03/2016

5.2 Annex 2: PN3B location map



- 5.3 Annex 3: Réunion de partage d’informations BID/UTE/ACTION AID/AREDE/CPVTC – Aide-Mémoire (Private).
- 5.4 Annex 4: Evaluation des pertes de revenus occasionnées par l’installation de la clôture provisoire du parc industriel de la région nord, Caracol, nord-est (Private).
- 5.5 Annex 5: Rapport d’Envergure du Plan d’Action de Réinstallation du Parc Industriel dans la Région du Nord d’Haïti (Private).
- 5.6 Annex 6: September 2011 Memorandum of understanding – *Protocole d’Accord* (Private).
- 5.7 Annex 7: September 2013 Act of commitment (Acte d’engagement) (Private).

- 5.8 Annex 8: *Plan d'Engagement des Parties Prenantes (PEPP)* (Private).
- 5.9 Annex 9: *Development of the Industrial Park Model to Improve Trade Opportunities for Haiti* (Private).
- 5.10 Annex 10: Trou-du-Nord River water quality results

Average baseline data for the Trou-du-Nord River (2013-2014)		PIC inlet	PIC outlet
OD	mg/l	2.83	4.01
BOD ₅	mg/l	4.88	3.73
COD	mg/l		
Turbidity	NTU	12.77	14.50
N total	mg/l	0.52	0.49
P total	mg/l	0.05	0.04
Oil and fats	mg/l	0.00	0.00
Total Coliforms	NMP/100 ml	4.05E+04	9.70E+03

Average data to measure impact to the Trou-du-Nord River 2015-2016		PIC inlet	PIC outlet
pH		7.99	8.04
DO	mg/l	7.60	7.78
BOD ₅	mg/l	6.25	6.15
		2.00	2.33
COD	mg/l	17.85	17.38
Turbidity	NTU	30.55	26.08
Total Nitrogen	mg/l	0.44	0.87
Total Phosphorus	mg/l	0.40	0.40
Oil and grease	mg/l	1.39	1.25
Total Coliforms	NMP/100 ml	4.65E+04	3.54E+04
Total suspended solids (TSS)	mg/l	110.33	109.38
Temperatura	°C	29.82	30.07
Conductividad	µS/cm	281.00	284.33
Apparent color	UPC	117.50	109.00
True color	UPC	58.17	64.33

- 5.11 Annex 11: Effluent water quality at the discharge point of the WWTP

	IFC Guidelines	Monthly average between August 2015 and December 2016⁶⁴
pH	6 a 9	7.66
DBO5	< 30 mg/l	9.77
DCO	< 125 mg/l	28.61
N	< 10 mg/l	9.77
P	< 2 mg/l	2.44
Oil and grease	< 10 mg/l	9.39
Total Suspended Soilds (TSS)	< 50 mg/l	1.92
		Geometric⁶⁵ monthly average since February 2016⁶⁶
Total Coliform	< 400 NMP/100 ml	224

⁶⁴ To calculate the averages when values were under the detectable limit zero was taken.

⁶⁵ Geometric average was calculated since Total Coliforms are measures daily.

⁶⁶ To calculate the averages when values were under the detectable limit zero was taken.