

**HAITI RECONSTRUCTION FUND
STATUS UPDATE AS OF APRIL 2021**

Project Title:	Rehabilitation of Péligre Transmission Line				
Partner Entity:	IDB	IHRC Concept Note Number:	CN-000145		
Reformulated Project Development Objective:	<p>The general objective of the Program is to improve the performance of the Péligre transmission line and provide reliable supply and secure power. The specific objectives of the Program are: (i) to rehabilitate the capacity of the 115-kilovolt (kV) transmission line from Péligre to Tabarre/Nouveau Delmas; (ii) to reduce transmission losses and power outages; and (iii) minimize environmental and social impacts. The operation will finance the following components:</p> <p>Subcomponents (a) investment in the Péligre-Nouveau Delmas transmission line, engineering, design and construction; (b) resettlement and social related impact management; and supervision, administration and management. The main beneficiaries will be the population of Haiti, principally located in the Port-au-Prince area.</p>				
PARDH¹ Sector:	Economic Refoundation	IHRC Sector:	Job creation		
Responsible Agency(s)²:	Ministry of Public Works, Transports and Communications (MTPTC)				
Total Project Cost (US\$ million):	US\$ 33.0 Million	Total Approved HRF Grant (US\$ million):	US\$ 25.3 Million	Total HRF Funds transferred to Partner Entity (US\$ million):	US\$ 16 Million US\$ 9.3 Million
Other Donors (indicate amount per donor):	IDB Grant Facility (US\$ 7.7 Million)				
Project Funds disbursed (US\$ million):	\$ 32,338,884.45	Disbursement as a percentage of total project cost:	98.0%		
HRF Funds disbursed (US\$ million):	\$ 24,663,660.60	Disbursement of HRF funds as a percentage of approved HRF grant:	97.5%		
HRF (1) SC Final Approval Date:	Dec-17-2014	Project Effectiveness Date³:	Mar-6-2015 Publication in the official Gazette of the Grant Agreement		
Expected Project Duration:	4 Years	Expected Project Closing Date:	HRF (1) Dec-31-2019 (closed) HRF (2) Mar-04-2021		
HRF (2) Extension Eligibility Date	Jun -04-2019	Total Eligibility Date	Jun-04-2019		
Implementing Agency:	Type of Organization (Local/Int'l NGO, Government Agency, etc.):		Total project funding channeled through Implementing Agency (Planned or Actual):		

¹ Plan d'Action pour le Relèvement et le Développement d'Haïti.

² Agency or Agencies that is/are the direct recipient of funds from the Partner Entity and is/are responsible for overseeing project implementation.

³ Date of fulfillment of all project effectiveness conditions and start of implementation of project activities.

MTPTC	Government	US\$ 33 Million	
Quantitative Results Indicators (include target):		Progress:	Percentage of planned:
<p>Specific objective (i) -to rehabilitate the capacity of the 115-kV transmission line from Peligre to Tabarre/Nouveau Delmas- is reliant on the achievement of one outcome indicator: the maximum transmission capacity from Peligre to Port-au-Prince: Baseline: 80 MVA Target: 160 MVA</p> <p>Specific objective (ii)- To reduce transmission losses and power outages- is a standard objective for distribution energy projects, and in this case it is related to two outcomes indicators:</p> <p>a) Total power losses corresponding to the transmitted energy on the Peligre transmission line: Baseline: 4% Target: 3%</p> <p>b) Total power outages on the Peligre transmission line corresponding to the domestic electricity market Baseline: 12 Power Outages/ year Target: 6 Power Outages/ year</p> <p>Specific objectives (i) and (ii) share the same outputs:</p> <p>(a) 115-kV transmission line cable rehabilitated above ground; Baseline: 0 Km Target: 42 Km</p> <p>(b) 115-kV transmission line cable rehabilitated underground. Baseline: 0 km Target: 10 km</p>		<p>Achieved: 160 MVA</p> <p>Achieved: 3%</p> <p>Achieved: 0 Power Outages/ year</p> <p>Achieved: 42 Km</p> <p>Achieved: 9.6 Km (as the time of the project concept, this section was estimated at 10 km. The final and length is 9.6 km, which was specified at the time of the construction.</p>	<p>100%</p>
<p>Specific objective (iii)- To minimize environmental and social impacts. There is one outcome associated with this objective "People resettled in conformity with Resettlement Plan". Baseline: 0% Target: 100%</p>		<p>Achieved: 90%</p>	<p>90%</p>

Qualitative achievements against expected results ⁴ :
<p>The main works for the rehabilitation of the program were completed during the second semester 2019. The Transmission Line (T/L) was formally accepted on October 22nd, 2019, by the national utility Electricité d’Haïti (EDH) – technical arm of the executing agency. The T/L was supplying electricity as evidenced by an IDB site visit to the</p>

⁴ Include (i) qualitative achievements, (ii) key milestones (current or future) and (iii) any significant changes in project components or budget reallocations.

power line S/S Nouveau Delmas, although at partial capacity as power generation by the Peligre Hydro Power Plant (PHP) is not yet fully operational. Based on the information provided in the final evaluation submitted by the Executing Agency and the infrastructure and acceptance statements, it is concluded that the rehabilitated T/L meets the target for outcome 1.1. Hence it is concluded that the Operation successfully achieved the specific objectives (i) and (ii). To guaranty its sustainability, EDH has drafted an Operation & Maintenance (O&M) plan for the newly rehabilitated T/L. As part of its objectives, IDB will properly follow-up with EDH on that matter.

Regarding the implementation of the Resettlement Plan, this plan finances all costs associated with resettlement and compensation for affected people by the Peligre transmission line rehabilitation. During the preparation of the Program, particular emphasis was given to select a transmission line design that would minimize the number of persons that would need to be resettled. The final underground solution only involved the resettlement of 10 households (vs. 383 households if the line was to be rehabilitated 100% above ground). As of April 30, 2021, there is 10% remaining people to be compensated and 10% of the works related to the construction of 10 houses. IDB has already secured funds to cover those remaining compensations and works. Therefore, the resettlement and compensation plan implementation (specific objective iii) reached about 90%. The implementation of the compensation plan will be completed during the second quarter of 2021.

Challenges and other comments⁵:

Comments. At the Transmission Line (T/L) program design, it was planned to have the Peligre Hydro Power Plant (PHP) rehabilitated before the T/L. However, the T/L works were fully completed in October 2019, while the PHP is not fully operational due to anomalies detected in 2 out of 3 generation groups. That situation along with lack of capacity of EDH to properly manage the PHP, has prevented EDH to operate the T/L at its full capacity jeopardizing the main goal of providing reliable supply and secure power to the Port-au-Prince Metropolitan Area. In order to solve that issue, the Ministry of Finances and IDB signed an amendment to the Grant Agreement GRT/HR-12410 to allocate US\$ 3.8 M from component 2 to support activities that can secure the sustainability of the T/L by ensuring its energy supply and the proper management of infrastructure by EDH. During 2020, several activities were carried out to complete the rehabilitation of the Peligre Hydro Power Plant including the repair and re-commissioning of the 18 MW generation group #3 and a shadow management consultancy to strength EDH in the operation and maintenance of the Peligre System. The Construction firm and EDH, with the technical support of the Supervision firm, are in a process to find agreement on all final activities, repairs and inspections to successfully close the rehabilitation project. IDB is in the process to approve new funds to cover additional activities such as potential repair if applicable, the procurement of tools and equipment's needed for a proper O&M of the power plant and the shadow management contract until June 2022.

Challenges. Constant periods of unrest and insecurity in Haiti have critically impacted the execution of the program preventing the executing agency and firms' personnel to mobilize to the office and the field. This has resulted in delays in the execution of project's activities. Despite those challenges, the closing of the operation is ongoing and expected to be finalized during the second semester of 2021.

Lessons learned: Some of the main finding and recommendations during the construction of the Peligre Transmission line are:

Findings	Recommendations
1. Technical-Sectorial Dimension	
Finding #1. Differences between Bank safeguard policies and national legislation and practices, led to substantial delay to consolidate the list of affected people and agree upon compensation type and level.	Recommendation #1. A lesson learnt is that gaps between Bank's safeguard policies and local legislation concerning compensation of affected people should be identified during Project design. If required, the Executing Entity should receive training on Bank policies. It is recommended that the Bank follows up closely in case an Executing Entity has no previous experience with Bank

⁵ As applicable include (i) reasons for project delays, (ii) implementation challenges, (iii) funding status (funding gaps, new funding sources, or changes to initial contributions), and (iv) other relevant information.

	operations. Additionally, the institution in charge of implementing compensation process in Haiti reports to the MEF and not to the Executing Agency. Coordination with the MEF at an early stage of execution and during the preparation of any socioenvironmental plans is highly recommended to avoid risks of delay later in the execution.
Finding #2. Mechanisms for monitoring and evaluation were not implemented according to the Monitoring and Evaluation (M&E) plan. This situation prevented the AE to identify potential delays in contracts execution, adjust results matrix targets accordingly and collect data for the preparation of the final evaluation and ex post Cost Benefit Analysis.	Recommendation #2. Hiring a monitoring and evaluation specialist as part of the executing agency team to ensure the proper implementation of monitoring and evaluation mechanism as per the M&E plan,
2. Organizational and Managerial Dimension	
Finding #3. Delays during project execution demonstrated the need for enforcement of the special execution condition to have terrain tenure and right of path secure prior to starting the works.	Recommendation #3. It is recommended to ensure that conditions are in place to effectively start construction activities according to planning.
Finding #4. Changes in staffing were made by the Supervisor without notifying the Executing Agency. These changes could have resulted in projects delays and potentially affected quality of the work.	Recommendation #4. To prevent such practices in future operations a control mechanism is recommended to verify that staffing is as proposed by the supplier and individuals confirm their availability. Specific clauses may be formulated to be included in the respective contracts to mitigate this risk, while procedures for checking of staffing can be laid out in the Project Operations Manual.
Finding #5. Constant contract's amendments for deadlines extension. Despite that most of delays are attributable to changes in design of the underground section, insecurity and presidential elections, other causes related to subcontracting of firms not considered within the contract and shipment of equipment, could have been prevented with better contract management by the supervision firm and the executing agency.	Recommendation #5. To prevent delays associated to subcontracting of works and procurement of materials and equipment, it is recommended to include in the monthly technical and coordination meetings, follow-up actions on contract conditions for subcontracting and the procedures and status of materials and equipment procurement. This will help to identify potential delay risks and contract's deviations, as well as their mitigation measures accordingly. If these risks would have been identified in advance but not mitigated, their related contract's amendments could have been considered as part of one of other amendments regarding delays from external factors or modification in the scope of the contract. That would have reduced the total number of amendments.
Finding #6. Contract management was a point of concern under this operation as the Bank team faced difficulties to have updated information about the status of each contract at any time.	Recommendation #6. Close monitoring is therefore recommended to enable continuous, detailed analysis contract status and key activities, monitor and control the available budget. Monitoring shall include the assessment of eventual price revisions allowed under contract terms, both requested by the supplier and resulting from exchange rate changes. The impact of modifications on the work scope and total throughput time shall be duly acknowledged and quantified, enabling proactive planning and control of the overall process.
	Recommendation #7. A lesson learned is that contracts with suppliers should be revised and amended as soon as changes occur in the stipulated activities. This allows for early identification of

	potential budget shortages and assist in contract supervision and termination.
3. Public Processes and Actors Dimension	
Finding #7. Project execution made evident the legitimate demand by local communities to participate in the construction work, specifically unskilled labor for civil works.	Recommendation #8. It is recommended to devise a mechanism allowing local laborers to generate income and improving acceptance of the works, but without compromising quality and contractor liabilities.
4: Fiduciary Dimension	
Finding #8. The operation proved that a neutral environment contributes to settle disagreements between the Executing Entity and the contractors in a more amicable and expedite manner, notably related to cost level disputes, payment schedule and pending activities for satisfactory contract termination.	Recommendation #9. The Bank can play a role by facilitating such space, which can be considered a good practice.