

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

DOMINICAN REPUBLIC

**INTEGRATED TOURISM AND URBAN DEVELOPMENT PROGRAM FOR THE
COLONIAL CITY OF SANTO DOMINGO**

(DR-G0004)

GRANT PROPOSAL

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2.	Monitoring and evaluation plan (3879/OC-DR and DR-G0004)
3.	Environmental and social management report
4.	Procurement plan

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1.	Economic analysis
2.	Institutional analysis
3.	Gender and diversity annex
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ABBREVIATIONS

ADN	Ayuntamiento del Distrito Nacional [National District Government]
AFS	Audited financial statements
CCSD	Colonial city of Santo Domingo
EDGE	Excellence in Design for Greater Efficiencies
ESMP	Environmental and social management plan
ESMR	Environmental and social management report
EU	European Union
GHG	Greenhouse gas
IFC	International Finance Corporation
INTRANT	Instituto Nacional de Tránsito y Transporte Terrestre [National Institute of Transit and Land Transportation]
MINC	Ministry of Culture
MITUR	Ministry of Tourism
MIVHED	Ministry of Housing, Habitat, and Buildings
OMSA	Oficina Metropolitana de Servicio de Autobuses [Metropolitan Bus Service Office]
PCU	Project coordination unit
PSG	Project specific grant

PROJECT SUMMARY

DOMINICAN REPUBLIC

INTEGRATED TOURISM AND URBAN DEVELOPMENT PROGRAM FOR THE COLONIAL CITY OF

SANTO DOMINGO

(DR-G0004)

Financial terms and conditions				
Beneficiary:				
The Dominican Republic		Disbursement period:	3.5 years	
Executing agency:		Implementation period:	3.5 years	
Ministry of Tourism (MITUR)		Currency of approval:	Euros	
Source	Amount in euros (€)	Amount in U.S. dollars (US\$)		
IDB (European Union):	3,210,000 ^(a)	3,827,762 ^(b)		
Total:	3,210,000	3,827,762		
Administration fee:	210,000	250,415		
Total available for the program:	3,000,000	3,577,347		
Project at a glance				
Project objective/description: The main objective of this investment grant is to revitalize the colonial city of Santo Domingo in urban, economic, and cultural tourism aspects through: (i) the recovery of public spaces and historic monuments; and (ii) an improvement in livability for residents.				
Special contractual conditions precedent to the first disbursement of the investment grant: (i) approval of the program Operating Regulations under the terms agreed upon in advance with the IDB; and (ii) signature by MITUR of interagency coordination agreements with the Ministry of Housing, Habitat, and Buildings (MIVHED), the National District Government (ADN), the Ministry of Culture (MINC), the National Institute of Transit and Land Transportation (INTRANT), and the Metropolitan Bus Service Office (OMSA) (paragraph 3.9) on the transfer of goods and the responsibilities of each institution during the program.				
Special contractual conditions for execution: See the special conditions established in the environmental and social management plan (ESMP) and the environmental and social management report (ESMR).				
Exceptions to Bank policies: None.				
Strategic alignment				
Challenges: ^(c)	SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>	
Crosscutting themes: ^(d)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input type="checkbox"/>	

^(a) The grant resources to be facilitated by the European Union (EU) will be subject to availability and approval by the EU. The funds will be administered by the Bank as a project specific grant (PSG) pursuant to document SC-114 and the terms of the Framework Agreement between the European Commission and the Inter-American Development Bank of 29 September 2020 (document GN-2605-5). As stipulated in that document, the EU's commitment will be established in a separate contribution agreement (delegation agreement). The EU resources can be disbursed once it and the Bank have signed the delegation agreement and the Bank has received the funds from the EU. The Bank will charge an administration fee (2% of the PSG) once it receives the first installment. All references in this document to the 2019 Framework Agreement between the EU and the Bank will refer, as warranted, to any amendment or reinstatement of that agreement that could affect the EU or the IDB that is in force on the date the delegation agreement is signed.

^(b) The exchange rate applied on 16 March 2021 was US\$1.19/€. The EU will pay its contributions to the PSG in euros (€), which will immediately be converted into U.S. dollars upon receipt by the Bank's Finance Department. The Finance Department will inform the project team of the exchange rate applied to each contribution.

^(c) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(d) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 The Dominican Republic has one of the most stable economies in Latin America and the Caribbean. The country reported annual economic growth in the last decade (2010-2019) of 5.6%¹ in real terms, which exceeds the average of 2.1% for the region. Its macroeconomic stability has helped promote foreign direct investment, particularly in the tourism sector.²
- 1.2 The Dominican Republic is recognized as a major tourist destination in the Caribbean and Central America. In 2019, it received 6.4 million nonresident passengers, equivalent to 17% of all visitors to the region. According to the Central Bank, in that year, earnings from tourism represented 36% of exports of goods and services.³ As well, tourism is a sector that creates and multiplies jobs. It is estimated that for every 2.5 jobs created directly in the tourism sector, nearly three additional jobs are generated.⁴ Despite the impact of the pandemic, which caused a drop of 63% in international tourist arrivals in 2020 compared to 2019, the industry has recovered rapidly.⁵ In June 2021, the country had recouped 80% of pre-COVID-19 levels.⁶
- 1.3 The Dominican Republic has developed tourism hubs to diversify its offerings for visitors. The main destinations include Punta Cana–Bávaro, Puerto Plata, Samaná, La Romana, and Santo Domingo. In the first four destinations, tourism offerings are limited to sun and sand, which is a disincentive for other segments of the tourism market. Therefore, to promote economic development through tourism, the Dominican government, through the Ministry of Tourism (MITUR), has tried to diversify tourist products, mainly by promoting cultural tourism in Santo Domingo,⁷ the country's capital.
- 1.4 **The colonial city of Santo Domingo (CCSD) as a strategic hub for tourism and urban development.** Cultural tourism prevails in Santo Domingo as the cradle of the colonial city. The CCSD is the first European settlement in the Americas designated a World Heritage site by the United Nations Organization for Education, Science and Culture (UNESCO). It is a strategic site for the tourism industry for many reasons: (i) it has a concentration of major heritage and cultural assets; (ii) it has the largest number of museums in Santo Domingo; and (iii) it offers a creative economy cluster, with art, music, and local cuisine. An estimated 28% of its businesses belong to the creative industries.⁸

¹ MITUR (2021). Informe Mensual Junio 2021. Sistema de Inteligencia Turística.

² In 2019, 45% of foreign direct investment was concentrated in the tourism sector.

³ Banco Central de Republica Dominicana (2021). [Importancia del Turismo en República Dominicana](#).

⁴ MITUR (2021). Informe Mensual Junio 2021. Sistema de Inteligencia Turística.

⁵ IDB (2021). Sector report COVID-19 Recovery Needs Assessment (CRNA), Dominican Republic, Tourism.

⁶ MITUR (2021). [Destacan la recuperación del turismo dominicano](#).

⁷ MITUR (2018). [Revitalización de Ciudad Colonial convierte a Santo Domingo en 2da Ciudad Más Amigable del Mundo en el "Reader's Choice Awards 2018"](#).

⁸ MITUR (2017). Censo de Negocios.

- 1.5 Despite being a site of heritage and cultural value, the CCSD is also marked by substandard housing and segregation, with a large presence of low-income families and a high degree of degradation of the urban space. Although no disaggregated data are available on poverty, an estimated 60% of the population of the CCSD has not gone beyond secondary school.⁹ This situation prevails in the northern part of the CCSD, particularly in the communities of San Lázaro, San Miguel, San Antón, and Santa Barbara. Housing in those communities is threatened by social vulnerability and the impact of climate change ([optional link 5](#)).¹⁰
- 1.6 **Bank support for revitalization of the CCSD.** The CCSD has the potential to become a world-renowned tourist attraction. This would diversify tourism in the Dominican Republic, contributing to economic growth and the social wellbeing of Dominicans. Recognizing this potential, the Bank has supported its revitalization since 2011 through two loan programs. The first was the Program to Promote Tourism ([2587/OC-DR](#)). This operation was approved in 2011 with financing of US\$30 million. The main objective was to raise income and employment generated by tourism in the CCSD. The program concluded in 2018 with significant achievements, including the complete rehabilitation of more than 2.5 kilometers of streets, the refurbishment of more than 900 facades, and the installation of lighting in public spaces. These gains helped to energize the local economy in the colonial zone. It is estimated that the program generated private investment of over US\$100 million, contributed to the opening of at least 300 new businesses between 2012 and 2015,¹¹ and influenced the increase in the number of Dominicans employed in the tourism sector (from 18,339 in 2011 to 23,405 in 2018).
- 1.7 To achieve the total and sustainable revitalization of the CCSD, investments are required in different areas, including transportation and mobility, land use and management, housing and habitat, safety, and fiscal and institutional capacity. That is why the Bank approved a second loan in 2016, the Integrated Tourism and Urban Development Program for the Colonial City of Santo Domingo ([3879/OC-DR](#)). That operation has financing of US\$90 million and became eligible in July 2020. The program has a broader objective than the previous one and seeks to revitalize the CCSD in urban, economic, and cultural tourism aspects through: (i) the recovery of public spaces and historic monuments; (ii) improvement of livability for residents; (iii) development of local economies; and (iv) strengthening of the management of the CCSD. Implementation of this program by the Ministry of Tourism is just beginning, and the main activities are in the design stage. The program became partially eligible for disbursement in July 2020 because of delays in complying with the conditions precedent to the first disbursement established in the loan contract. These delays were due to the absence of an interagency coordination and management mechanism for the CCSD. The program aims to remedy this weakness with a comprehensive intervention that takes into account the zone's physical space, management framework, and economic potential.

⁹ MITUR (2015). Censo de la Ciudad Colonial de Santo Domingo.

¹⁰ Habitat for Humanity (2021). Diseño de Programa de Mejoramiento de Vivienda para Ciudad Colonial.

¹¹ Arecoa (2017). Ciudad Colonial retoma valor turístico tras inversión de más de 130 millones de dólares.

- 1.8 Complementarily, the proposed investment grant, prepared at the request of the Dominican government,¹² seeks to expand the scope of certain activities under [3879/OC-DR](#), namely: (i) an electromobility pilot project as part of the Sustainable Urban Mobility Plan (PMUS) for greater Santo Domingo¹³ and the CCSD; and (ii) an increase in the number of houses to be improved in the CCSD. These activities are considered, respectively, in Components 1 and 2 of [3879/OC-DR](#) and contribute to the attainment of specific objectives 1 and 2 of that loan.
- 1.9 **Description of the problem and its consequences.** Despite the investments made over the last decade, the CCSD presents challenges that limit their full use. The main challenges that persist in the CCSD include urban mobility and access to good quality housing, particularly related to: (i) shortcomings in the urban public transportation system; and (ii) poor housing conditions, particularly for low-income families.
- 1.10 **Transport and mobility.** The CCSD presents major challenges in urban transportation and mobility. According to the most recent study on mobility, greater Santo Domingo sees about 3 million trips a day, 40% of which are in private vehicles, 20% on foot, and the remaining 40% in public transportation,¹⁴ with an automotive fleet that has grown on average by 6.5% in the last 15 years. The public transportation system has a series of major challenges¹⁵ that hamper the provision of efficient services for users, adequate road safety standards, and operating arrangements consistent with adequate governance and planning, including plans for periodic vehicle renewal.¹⁶
- 1.11 Excepting the public supply of mass transit services, the collective public transportation service¹⁷ is splintered and informal. There are no fixed stops, which means that passengers get on and off anywhere, affecting the commercial speed of service and reducing road safety.¹⁸ This has major impacts and quantifiable externalities. For example, the cost of traffic congestion in Santo Domingo is estimated at 0.7% of the city's GDP.¹⁹ Furthermore, more than 2,000 traffic accidents a year are reported in greater Santo Domingo caused by failure to obey the traffic rules and the poor condition of vehicles.

¹² On 17 January 2020, the Multilateral Cooperation Branch of the Ministry of Economic Affairs, Planning, and Development wrote to the Bank's Country Office to inform it about the initiative "Improving interventions to promote sustainable cities" and invite the Bank to present project proposals. In response to that letter, the project team and the execution unit for loan 3879/OC-DR worked together to present a proposal for consideration by the European Union. The proposal was sent on 23 October 2020 and approved in 2021.

¹³ Includes the National District, Santo Domingo Norte, Este, and Oeste.

¹⁴ IDB (2021). Program to Support Mobility, Ground Transportation, and Road Safety in the Dominican Republic.

¹⁵ INTRANT (2019). Plan de Movilidad Urbano Sostenible del Gran Santo Domingo.

¹⁶ The public transportation fleet is 23 years old on average and is mostly composed of buses or "guaguas," public cars or "conchos" (that operate as collective taxis offering services in the country's main cities), taxis, and motoconchos.

¹⁷ IDB (2021). Urban Road Congestion in Latin America and the Caribbean: Characteristics, Costs, and Mitigation.

¹⁸ INTRANT (2019). Plan de Movilidad Urbano Sostenible del Gran Santo Domingo and Plan de Movilidad Urbana Sostenible de Ciudad Colonial de Santo Domingo.

¹⁹ IDB (2021). Urban Road Congestion in Latin America and the Caribbean: Characteristics, Costs, and Mitigation.

- 1.12 The colonial zone has no planning structure for the road network or its public spaces, which has a significant impact on mobility in terms of: (i) dependence on private vehicles to travel in the area of influence, including 15.4% of trips whose origin-destination is not in the colonial zone; (ii) the absence of off-street parking (there are just 830 spots), which leads to unregulated parking on streets; (iii) the lack of infrastructure for nonmotorized modes, including wide sidewalks, lighting, crossings, dedicated lanes, etc.; (iv) overlapping in the five routes that run inside the colonial zone and the absence of fixed stops; (v) loading and unloading in spaces meant for pedestrians or vehicles; and (vi) fragmentation and lack of organization for taxi services, coupled with an aging vehicle fleet (75% is more than 13 years old). The transportation and mobility challenges are viewed by more than 95% of residents of the CCSD as a major problem to be solved.²⁰
- 1.13 The transportation sector in the Dominican Republic is one of the heaviest generators of environmental pollution in the form of emissions of CO₂ and particulate matter.²¹ Although the country emits less than 0.1% of global greenhouse gas (GHG) emissions, its transportation sector generates most of that figure.²² In greater Santo Domingo, 20% of CO₂eq corresponds to transportation. Of total CO₂ emissions per passenger and resident of greater Santo Domingo, the average is 128 g for all modes of transportation. Emissions from private vehicles exceed emissions by other modes of transportation²³ and those vehicles are less efficient because they carry a low average of 1.4 people each.²⁴ They emit more per passenger than buses (guaguas). Even though the latter still emit much more per vehicle, they emit less per passenger because they have much higher occupancy. This situation is aggravated in the historic center, where there is no urban planning aimed at non-motorized modes, the streets are narrower and vehicles move at roughly the same speed as pedestrians, worsening congestion and pollutant emissions. Coupled with this, the number of obsolete vehicles that drive through the outskirts or through the historic center has increased to over an estimated 4,300 units a day.²⁵ This contributes to GHG emissions. The CCSD exceeds the World Health Organization's limits on particulate matter by 150%, which is indicative of the size of the problem.²⁶
- 1.14 **Housing and habitat:** The housing shortage in the Dominican Republic exceeded 800,000 units in 2017 according to official figures and has become one of the main sources of inequality. Public investment in low-income housing is 0.03% of GDP, significantly lower than the average in Latin America and the Caribbean, where investment is between 1% and 2% of GDP. The housing shortage also affects the CCSD. Three main challenges exist related to livability in the CCSD: (i) houses have poor construction materials, poor structural stability, and poor access to

²⁰ MITUR (2015). Censo de la Ciudad Colonial de Santo Domingo.

²¹ International Energy Agency (2010). 2010 Assessment.

²² United States Agency for International Development (2013). Dominican Republic Climate Change Vulnerability Assessment.

²³ Cars account for 56% of current emissions, followed by conchos (16%) and buses/guaguas (15%).

²⁴ IDB (2020). Plan Nacional de Infraestructura de República Dominicana.

²⁵ MITUR (2017). Implementación Plan de Movilidad Urbana Sostenible Ciudad Colonial de Santo Domingo.

²⁶ INTRANT (2020). Plan Nacional de Movilidad Eléctrica.

basic services; (ii) houses are vulnerable to the impact of climate change; and (iii) the level of property titling is low.

- 1.15 The 2015 CCSD population and housing census identified shortcomings in the quality of housing construction materials and low access to basic services.²⁷ According to the census, 16% and 8% of all houses have roofs and walls made of inadequate materials, respectively. Two percent have no toilets, and 9% do not have adequate floors. As for basic services, 15% of houses have no access to drinking water and 8% have no access to public sewers. These deficits are concentrated in the northern part of the area in the neighborhoods of Santa Barbara, San Antón, San Lázaro, and San Miguel, where vulnerable and low-income families living in the CCSD are concentrated.
- 1.16 **Households in the northern zone of the colonial city.** About half the population of the CCSD lives in the northern zone in the neighborhoods of Santa Barbara, San Antón, San Lázaro, and San Miguel. According to a recent study by Habitat for Humanity,²⁸ one third of households in these neighborhoods have income equivalent to one minimum wage or less, and two thirds have secondary schooling or less. One fifth are single-parent households. Furthermore, 20% have at least one family member with some type of disability, mainly physical or motor.

Figure 1. Map of the colonial city of Santo Domingo: Neighborhoods in the northern zone



Source: Habitat for Humanity ([optional link 5](#)).

- 1.17 According to that study, 46% of houses are in average condition while 35% are considered unsuitable for occupation.²⁹ They are marked by having very precarious, improvised, and poor quality construction. They also present structural damage that increases their vulnerability. This is apparent in recent housing collapses in the colonial zone.³⁰ Moreover, 35% of houses have bathroom and

²⁷ Habitat for Humanity is updating the analysis of housing conditions in the colonial city under the Integrated Tourism and Urban Development Program for the Colonial City of Santo Domingo.

²⁸ Habitat for Humanity (2021). Inventario de las Condiciones Físicas, Sociales, Legales y Financieras de las viviendas sociales de los barrios de la Zona Norte de Ciudad Colonial.

²⁹ These data cross-reference indexes on access to services, spatial and material conditions, and overcrowding (Habitat for Humanity, 2021. [Optional link 5](#)).

³⁰ N Digital (2021). Colapsa piso de apartamento en la Zona Colonial.

bedroom insufficiencies. At least 15% of housing units have no indoor bathrooms ([optional link 6](#)).

- 1.18 Most housing is not spacious enough to prevent overcrowding, with units measuring less than 50m². These housing units have little space for adequate ventilation and lighting (which can influence occupants' physical and mental health), making it difficult for them to adapt to climate conditions.
- 1.19 Although most (94%) households report having access to basic services, including water, trash collection, and electricity, the first two services are frequently interrupted. Just 3% receive drinking water continuously. The majority (61%) receive water every two days, and 83% have access to trash collection once a week, which poses a risk to public health, despite the fact that most households in the four communities mentioned pay for those services. The most stable service is electricity, with 95% of households receiving uninterrupted power.
- 1.20 Housing in the CCSD is also vulnerable to the impact of climate change, considering the National District's vulnerability to extreme weather events including floods,³¹ as underlined by Habitat for Humanity ([optional link 6](#)).
- 1.21 The implications of the lack of quality housing are widely documented in the literature and have direct consequences for surmounting multidimensional poverty. Households with housing deficits present health problems and have limited access to schooling. They also face challenges to their economic development. An analysis in Mexico demonstrated that improving the flooring materials of informal housing reduces the incidence of diarrhea, anemia, and parasites in children.³² A different study found that children living in substandard housing have lower rates of school enrollment, attendance, and performance.³³ Moreover, having a house can facilitate access to formal financing and contribute to the efficiency of the labor market. Deeded ownership of a home is an asset for families that gives them access to the formal market for credit and financing.³⁴
- 1.22 Therefore another challenge identified is scant property titling in the CCSD. This limits the dynamism of the housing supply and makes middle- and low-income households vulnerable. Estimates suggest that just 43% of houses in the northern part of the CCSD have deeds.^{35,36}
- 1.23 **Gender and diversity gaps.** The Dominican Republic has the widest gender gaps in poverty in Latin America, with about 30% in vulnerable situations ([IDB, 2019](#)).³⁷ In the CCSD, data from Habitat for Humanity (2021) indicate that 65% of heads of households are women, with more than 67% of them over 56 years of age.

³¹ ADN (2016). Programa de Planificación para la Adaptación Climática.

³² Gertler, P. et al. (2012). Evaluación de Resultados de Impacto del Programa Piso Firme Estado de Coahuila.

³³ Moreno, E. (2011). Habitantes de viviendas informales en el mundo. United Nations.

³⁴ Moraes, D. et al. (2011). El impacto económico de las soluciones progresivas y completas en vivienda. Habitat for Humanity.

³⁵ IDB (2015). Banco Ademi: Access to Home Improvement Financing for the Base of the Pyramid in the Dominican Republic ([3421A/OC-DR](#), [3421B/OC-DR](#)).

³⁶ Habitat for Humanity (2021). Inventario de las condiciones físicas, sociales, legales y financieras de las viviendas sociales de los barrios de la zona norte de la Ciudad Colonial.

³⁷ IDB (2019). Desigualdades de Género en República Dominicana 2018-2020.

Close to 75% of households headed by women rent their houses and the majority earn less than the minimum wage. As for property ownership, about 52% of households without property titles are headed by women. With regard to diversity, Habitat for Humanity (2021) data confirm that in the CCSD about 20% of households have at least one person with a disability or reduced mobility, and the majority of these are headed by women. Of total persons with disabilities, 65% have a physical or motor disability. National data indicate that 67% of persons with disabilities live in poverty.³⁸ As for mobility, national data indicate that persons with motor disabilities spend between 37% and 40% of their income on transportation, given the lack of inclusive options. An evaluation of trip maps in Santo Domingo³⁹ reports on the lack of empathy in transportation towards persons with disabilities. All of the people (100%) interviewed reported fearing for their physical safety when using public transportation. Accordingly, it is recommended to include universal access in the design of public transport, housing infrastructure, sidewalks, pedestrian corridors, and public spaces built in the CCSD ([optional link 3](#)).

- 1.24 **Climate change considerations.** The Dominican Republic is in the “hurricane corridor” where tropical storms generally end up. Between 1871 and 2018 more than 100 tropical cyclones hit the country directly. Also, because it is an island, the Dominican Republic is one of the countries most vulnerable to the impacts of climate change. According to the Global Climate Risk Index (2020),⁴⁰ which indicates the level of exposure and vulnerability to extreme weather phenomena, the Dominican Republic ranks 99th out of the 183 countries analyzed using 2018 as the base year. It suffers recurring events such as flooding from extreme rainfall, tropical cyclones, and droughts, which have a negative impact on the environment, the national economy, livelihoods, and opportunities for the sustainable development of Dominicans.
- 1.25 In the local context, according to the Report on Natural Threats and Risks⁴¹ the greatest threat to the National District is associated with hurricanes, given its coastal location in one of the most active areas in the North Atlantic basin. The following figure shows how the colonial zone (in dark brown) is exposed to the highest physical risk from hurricanes and other climate events.

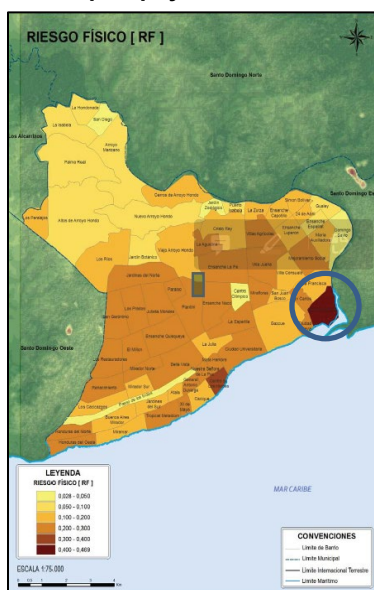
³⁸ Observatory on the Implementation of the Convention on the Rights of Persons with Disabilities, “Recomendaciones que contaron con el Estado en el 13º período de sesiones del Consejo de Derechos Humanos, en examen del EPU”.

³⁹ IDB (2021). Mapas de viajes Santo Domingo. Client trip maps is a methodology developed by the IDB and the consulting firm Despacio for performing a qualitative assessment of the accessibility of public transportation systems.

⁴⁰ [Global Climate Risk Index 2020](#).

⁴¹ [Amenazas y Riesgos Naturales República Dominicana: Compendio de mapas](#).

Figure 2. Map of physical risk in the colonial city



Source: Land Management and Development Branch ([optional link 4](#)).

- 1.26 **Intervention proposal.** The challenges in mobility and housing have a major impact on the competitiveness of cultural tourism, the local economy, social development, and climate change in the CCSD. This investment grant proposes, on the one hand, to implement a pilot project in electromobility to improve circulation for resident and tourist riders within the CCSD and facilitate their transfer to and from the CCSD at strategic points in Santo Domingo. This will also contribute to an indicative reduction in pollutants and GHG in the heritage zone.⁴² The results of the pilot project will enable a strategy to be defined for scaling up electromobility in the CCSD and Santo Domingo, drawing on the lessons learned about the technology used, the operating model, and the fare model ([optional link 7](#)) (paragraph 1.37).⁴³
- 1.27 The investment grant will also act on substandard housing to improve the quality of life and incomes of the residents of the CCSD, contributing to the objectives of gender, diversity, and climate change (paragraph 1.39). The actions to upgrade housing will prioritize gender and diversity considerations by focusing on households headed by women,⁴⁴ or by older adults,⁴⁵ or which have a person with disabilities.⁴⁶ This prioritization is consistent with the demographic and age diversity of the residents of the CCSD, and with their current and future needs

⁴² The stops and routes will be defined in a prefeasibility study with support from INTRANT.

⁴³ There is no cost to charge electronic vehicles at charging stations in the Dominican Republic at present.

⁴⁴ Women heads of families are defined as women, regardless of their civil status, who head a household and have permanently under their emotional, economic, or social care children of their own, persons with disabilities, or persons who are unable to work.

⁴⁵ Consejo Nacional de la Persona Envejeciente (CONAPE) (2021). Article 1 of Dominican Law 352-98 considers [older adults](#) to be “anyone over the age of 75 or younger who, owing to the aging process, experiences progressive changes from the psychological, biological, social, or material standpoints.”

⁴⁶ Pan American Health Organization (2021). [Persons with disabilities](#) include those who have long-term physical, mental, intellectual or sensory impairment which, in interaction with various barriers, hinders their full and effective participation in society on equal footing.

in terms of reduced mobility. For the activity to regularize property titles, priority will be given to women heads of families, taking account of their caregiving burden. These interventions will promote the economic empowerment of women. The interventions related to climate change and the adaptation and mitigation measures are described in [optional link 4](#).

- 1.28 **Value added of the EU's grant.** The EU's contribution will complement the activities of [3879/OC-DR](#), including implementation of the sustainable urban mobility plan and the housing improvement program. The grant will allow a pilot project in electromobility to be implemented, which is aligned with the sustainable urban mobility plan. It will also increase the number of houses to be improved in the CCSD under the loan. A single operations manual will be developed for the program to upgrade housing. The grant will permit new aspects to be included in housing improvement activities to be financed with funds from [3879/OC-DR](#), including those related to climate change, gender, and diversity.
- 1.29 **Rationale.** Transforming the CCSD into a productive tourism hub that generates good-quality jobs and improves the standard of living of the locals requires large strategic investments, in this case complementary to those being made under [3879/OC-DR](#), in sectors such as transportation and sustainable mobility and housing. The launch of an electromobility pilot project will improve connectivity within the colonial zone and facilitate access for people from Santo Domingo to the CCSD. It will also help to reduce pollutant emissions and GHG emissions. Thus, the investment grant will favor the competitiveness of cultural tourism in the CCSD and contribute to the Dominican Republic's climate change goals. The results will make it possible to develop a strategy for scaling up electromobility in Santo Domingo and other Dominican cities. The housing improvement project will have a positive impact on the lives of the residents of the colonial zone, promoting integration and social development, in addition to protecting lives from climate events. The project will also contribute to climate change mitigation.
- 1.30 **Bank knowledge of the sector and lessons learned.** The Bank has extensive recent specific experience in programs to reform the transportation sector and urban development in the Dominican Republic ([4914/OC-DR](#)). It has supported projects to procure electric fleets and deploy vehicle-charging infrastructure, and to define electric mobility policies and strategies in different countries in the region, including Barbados ([3843/OC-BA](#)), Costa Rica ([2747/OC-CR](#)), and the Dominican Republic ([ATN/OC-17390-RG](#)). Through regional technical-cooperation projects ([ATN/OC-16601-RG](#), [ATN/OC-16602](#), [ATN/OC-16603](#)), the Bank supports 11 cities, promoting fiscal and economic viability and business models in support of investments in electric buses. One of the main lessons learned is the need to ensure close coordination with all the sectors involved in mobility and urban development. Therefore, early discussions were begun with the main stakeholders for the design of this program.
- 1.31 The Bank also has valuable experience in housing and revitalization of historic city centers. In the housing sector, it has carried out programs for access to low-income housing through the Conditional Credit Line for Investment Projects for the Casa para Todos Sector Program in Ecuador (EC-O0004) and the Program for Housing and Comprehensive Improvement of the Habitat in Nicaragua ([2565/BL-NI](#)). The Bank's experience suggests that greater impact is obtained when housing

programs are comprehensive. Therefore this operation will benefit from the activities of [3879/OC-DR](#) which include improving streets, public spaces, urban mobility, and trash collection services, among other aspects.

- 1.32 The Bank has financed various loans for the revitalization of historic centers and heritage areas, including the Program to Promote Tourism in the Colonial City of Santo Domingo ([2587/OC-DR](#)), the Program for Rehabilitation and Development in Valparaíso, Chile ([1703/OC-CH](#)), the Program to Support Conservation and Management of the Cultural and Natural Heritage in Panama ([4450/OC-PN](#), [4451/OC-PN](#)), and the Program to Rehabilitate the Historic Center of Quito, Ecuador ([1630/OC-EC](#)). The main lessons learned include the need for action to avoid the displacement of the vulnerable local population. Accordingly, this program includes activities to upgrade the housing of low-income families.
- 1.33 As for implementation of stage one of the revitalization of the colonial city ([2587/OC-DR](#)), a number of lessons learned have been adopted for this investment grant. The need to introduce options for sustainable mobility became apparent in loan 2587/OC-DR. This contributed to the decision to propose a pilot electromobility project that could act as a catalyst for change in the transportation sector in the zone. With regard to project management, loan [2587/OC-DR](#) underlined the importance of promoting coordination with different public institutions with authority over the colonial zone. Accordingly, this investment grant will include working groups that will be made official through interagency coordination agreements (paragraph 3.3).
- 1.34 **Strategic alignment.** This operation is consistent with the second Update to the Institutional Strategy 2020-2024 (document AB-3190-2), since it contributes to the following development challenges: (i) social inclusion and equality, by seeking to improve the living conditions of low-income families; and (ii) productivity and innovation, by implementing new technologies for environmentally sustainable urban mobility initiatives and cost-effective technologies for energy efficient housing. It is also aligned with the crosscutting areas of: (i) gender equality and diversity by prioritizing women heads of households and persons with disabilities in the housing improvement program and prioritizing training for women in eco-driving and the operation and maintenance of electric vehicles. The program will include a workshop to raise eco-drivers' awareness of terminology, the rights of persons with disabilities, and their dignified treatment;⁴⁷ and (ii) climate change and environmental sustainability, by reducing CO₂ emissions through energy efficient mobility (Component 1) and housing improvements (Component 2), including measures for resilience, energy efficiency, use of water and materials in the building infrastructure works to achieve a minimum 20% reduction compared to standard products, as per the platform Excellence in Design for Greater Efficiencies (EDGE) ([optional link 4](#)).⁴⁸ According to the [joint methodology of multilateral development banks](#) for estimating climate finance, 89.33% of

⁴⁷ The course for eco-drivers will have the objective of raising participants' awareness of the appropriate terminology for referring to persons with disabilities, dignified treatment, and interaction with persons with disabilities and reduced mobility, road safety, right to access transportation, pedestrian accessibility, technology as a support for access and mobility by visually impaired people, and how to behave with visually impaired people to help eradicate discrimination they face when using transportation services.

⁴⁸ EDGE, International Finance Corporation (IFC).

program resources will be invested in mitigation through the inclusion of measures equivalent to obtaining EDGE certification and investments in electromobility. These resources contribute to the IDB's target for climate financing (30% of the volume of annual approvals).

- 1.35 This investment grant also contributes to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the indicators “value of investments in resilient and/or low-carbon infrastructure” and “beneficiaries of enhanced disaster and climate change resilience.” It is consistent with the following lines of action in the Housing and Urban Development Sector Framework (document GN-2732-11): (i) reduce pollution levels and improve climate change mitigation and resiliency levels, by supporting implementation of a sustainable mobility plan that includes an electromobility pilot project; and (ii) overcome structural social exclusion, by upgrading the housing of low-income families and contributing to the development of measures to improve mobility and accessible connectivity for local communities. It is also consistent with the Gender and Diversity Sector Framework (document GN-2800-8) by promoting opportunities for women's economic empowerment through: (i) vocational training for women in nontraditional careers (eco-driving); (ii) housing improvements; and (iii) regularization of property titles. The operation is aligned with the Strategy for Sustainable Infrastructure for Competitiveness and Inclusive Growth (document GN-2710-5) by promoting access to infrastructure services; the Transportation Sector Framework (document GN-2740-12) by promoting accessible, efficient, and safe transportation systems; and the Climate Change Sector Framework (document GN-2835-8). Lastly, this operation is aligned with the IDB Group's country strategy with the Dominican Republic 2017-2020 (document GN-2908), since it promotes the expansion of productive opportunities and, specifically, by contributing to the objective of improving productive infrastructure.

B. Objectives, components, and cost

- 1.36 **Objectives.** The main objective of this investment grant is to revitalize the colonial city of Santo Domingo (CCSD) in urban, economic, and cultural tourism aspects. The specific objectives are: (i) the recovery of public spaces and historic monuments; and (ii) an improvement in livability for residents.⁴⁹
- 1.37 **Component 1. Electromobility pilot project⁵⁰ (€1,000,000 equivalent to US\$1,192,449.22).**⁵¹ This component⁵² seeks to complement the activities of loan [3879/OC-DR](#) related to the sustainable urban mobility plan. The component will finance: (i) compilation of baseline data on air quality, especially particulate

⁴⁹ This program will contribute to these specific objectives in two ways: (i) by improving transportation in the CCSD for residents and tourists, facilitating the movement of people to and from the public spaces and historic monuments in the zone safely and reliably using vehicles that do not pollute, mitigate climate change, and help to reduce traffic congestion; and (ii) by improving livability for residents through a housing improvement program, in line with the activities of [3879/OC-DR](#).

⁵⁰ ICEX (2020). Electromobility refers to a drive or traction system that use electric power, applied to different means of transport.

⁵¹ The exchange rate as of 16 March 2021 was US\$1.19/€.

⁵² This component supports the Dominican Republic in reducing its GHG emissions and progressing toward compliance with its nationally determined contribution commitments by 2030. It also helps to manage the risk of the energy transition by promoting an orderly change to zero-carbon technologies.

- matter and CO₂ emissions; (ii) procurement of a fleet of electric vehicles with universal design and charging stations for public transportation that is accessible for persons with disabilities or reduced mobility; (iii) the development of business models for future scaling up of urban electromobility projects; (iv) training for operators in eco-driving, operation and maintenance of electric vehicles, and treatment of passengers with disabilities and/or decreased mobility, prioritizing training for women;⁵³ and (v) communication and dissemination activities.
- 1.38 The technical specifications for the electric vehicles and charging stations will be defined in a prefeasibility study. Vehicles with different characteristics will be considered given the narrow streets in the CCSD, the target population (including persons with disabilities), and operating and maintenance costs. The useful life of electric vehicles is estimated at 12 to 13 years. Batteries need to be replaced every seven years, a horizon that extends beyond the duration of the pilot project, which is three years.⁵⁴
- 1.39 **Component 2. Housing improvements (€2,000,000 equivalent to US\$2,384,898.44).**⁵⁵ The objective is to expand the scope of the housing improvement program for low-income families, taking account of the gender and diversity criteria⁵⁶ of loan [3879/OC-DR](#), by increasing the number of substandard houses to be improved, including: (i) the selection of beneficiaries, preparation of physical remodeling plans, social support, and education for families; (ii) studies to identify measures for increasing the resilience of dwellings to natural disasters and the impact of climate change, and cost-effective measures for resilience, energy efficiency, and use of water and materials, for a minimum 20% reduction over standard projects as per the EDGE platform,^{57,58} seeking to reduce the costs of operating the housing; (iii) works to upgrade housing and public services infrastructure;⁵⁹ and (iv) technical assistance to regularize property titles, prioritizing the regularization of titles belonging to women or shared with their partner.⁶⁰ The criteria for eligibility, prioritization, and investment for each house will be established in the program Operating Regulations. They include: (i) properties with no conflicts in land tenure; and (ii) properties that are the only one owned by the beneficiary. The prioritization criteria will consider

⁵³ Priority will be given to training women in eco-driving, sensitization, dignified treatment, and the rights of passengers with disabilities and/or reduced mobility, and electric vehicle maintenance. The baseline will be defined once the number of people to be trained is determined. Facilities will be provided, taking account of their caregiving burden and schedule.

⁵⁴ Coinciding with the close of [3879/OC-DR](#).

⁵⁵ The exchange rate applied as of 16 March 2021 was US\$1.19/€.

⁵⁶ Gender and diversity will be stressed by prioritizing interventions in households headed by women, headed by older adults, or that have a person with disabilities. This is consistent with the demographic and age diversity of the residents of the CCSD and takes account of their current and future needs in terms of reduced mobility.

⁵⁷ EDGE, IFC.

⁵⁸ [Optional link 4](#) includes detailed information on the housing interventions.

⁵⁹ Eligible interventions will be described in the Operating Regulations, in line with the final version of the program design ([optional link 6](#)).

⁶⁰ Priority will be given to regularizing the titles of women heads of households or titles they share with their partner. The necessary facilities will be provided to enable women to attend the regularization clinic, taking into account their caregiving burden and schedule.

two categories: (i) variables related to the building (e.g. precariousness of the house); and (ii) variables related to the household (e.g. family income) ([optional link 6](#)).

C. Key results indicators

- 1.40 To facilitate comprehensive program monitoring, which includes the results matrix from [3879/OC-DR](#), and facilitate coordination with the European Union, the main expected results are included to fulfill the investment grant's general objective, increase average spending per foreign tourist in the CCSD from US\$84 per person per day in 2020 to US\$89 per person per day by 2025. For Component 1, increase average hotel occupancy in the CCSD from 38% in 2020 to 76% by 2025; increase the number of international tourists visiting the CCSD from 204,368 in 2020 to 604,418 by 2025; increase the number of visitors to the targeted museums from 76,965 in 2020 to 248,218 by 2025; prioritize training for women in eco-driving, sensitization, rights and dignified treatment of passengers with disabilities and/or reduced mobility, and electric vehicle maintenance; increase the number of passengers per month who use electric vehicles for trips;⁶¹ increase the total number of charges with electric charging stations; and measure the contribution to reducing pollutant emissions in the CCSD from changes in planning patterns, infrastructure interventions planned under operation [3879/OC-DR](#), mobility patterns geared towards nonmotorized modes, and circulation of electric vehicles. For Component 2, reduce the percentage of substandard housing in neighborhoods in the northern part of the CCSD out of the total housing count; increase the number of property deeds in the names of beneficiaries; and prioritize participation by women heads of households in the clinic on the legal regularization of property titles ([optional link 12](#)).⁶²
- 1.41 **Economic viability.** The cost-benefit analysis of the program confirms that the interventions generate economic value and positive net benefits. The economic net present value is US\$13.5 million, while the internal rate of return is 13% ([optional link 1](#)). This analysis used as a basis the economic analysis of loan [3879/OC-DR](#), updating the benefits and costs to reflect the investment grant equity investment. Operating and maintenance costs were also taken into account.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This operation has an investment grant from the EU. The program budget is €3,210,000 or the equivalent of US\$3,827,762, applying the exchange rate of US\$1.19/€ in effect on 16 March 2021. The Bank will charge an administration fee equivalent to €210,000 of the investment grant once the first installment has been received from the EU. The administration fee will be distributed among the departments supporting the operation to cover implementation costs, in accordance with the Framework Agreement of 29 September 2020 between the EU and the IDB (document GN-2605-5). The disbursement period

⁶¹ Owing to the lack of information, the targets for the two last indicators in Component 1 have not been defined.

⁶² Owing to the lack of information, the baselines and targets for the last indicators in Component 2 have not been defined.

will be 3.5 years (42 months)⁶³ and will cover all the activities envisioned in the multiyear execution plan estimated for the procurement and implementation processes (Table 2). [Optional link 13](#) contains the itemized program budget.

Table 1. Estimated program costs (millions)

Components	Euro (€)	US\$*	%
Component 1. Electromobility pilot project ⁶⁴	1.00	1.19	31.15
Air quality baseline	0.04	0.04	1.09
Electric vehicle fleet	0.90	1.07	27.88
Business models for urban electromobility	0.01	0.01	0.31
Training	0.01	0.01	0.31
Communication	0.05	0.06	1.56
Component 2. Housing improvement program	2.00	2.38	62.31
Housing with a focus on resilience	1.38	1.65	43.08
Housing with a focus on gender and universal access	0.57	0.68	17.67
Property titling	0.05	0.06	1.56
Project total	3.00	3.57	93.46
Administration fee	0.21	0.25	6.54
Project total plus administration	3.21	3.82	100

* Estimated amount in dollars (US\$).

Table 2. Project disbursements⁶⁵

Disbursements		Year 1	Year 2	Year 3	Total
EU	Euro (€)	535,858	2,428,965	245,177	3,210,000
	US\$	638,983	2,896,418	292,361	3,827,762
%		16	76	8	100

B. Environmental and social safeguard risks

- 2.2 Under the Environment and Safeguards Compliance Policy (OP-703), this has been classified as a category “B” operation on account of its potential risks and impacts. To mitigate the potential environmental and social impacts, the investment grant has an approved Environmental and Social Management Plan (ESMP) with [Annexes 1 to 5](#), [Annex 6](#), [Annex 7](#), [Annex 8](#), and [Annex 9](#), which is in the implementation stage ([optional link 9](#)). The program execution unit has an environmental and social specialist who will oversee compliance with the ESMP.
- 2.3 The main risk identified refers to the housing improvement program. There is the possibility that the community may complain about the inconvenience caused by construction activities (accumulation of waste, alteration of pedestrian and automotive traffic, blockage of access to houses, conflicts between workers and the community). The ESMP and its annexes identify appropriate measures to

⁶³ The date on which the implementation period begins will be established in the delegation agreement.

⁶⁴ The communication and visibility plan has been included in Component 1 and has a budget of €50,000.

⁶⁵ Refers to disbursements by the Bank to the executing agency. Forestalling any possible delays in execution, the disbursement period has been extended to 3.5 years.

mitigate these risks, including requirements to consult the public prior to executing the program. The results of the consultations with stakeholders will enable the surrounding community, residents, leaders, merchants, and interested sectors to be kept informed about the implications of program interventions. This consultation process has led to a dialogue between the program coordination unit and key community and institutional stakeholders about their concerns over the temporary adverse effects of the interventions on their businesses, interruptions of vehicular traffic, and noise from the works.

C. Fiduciary risks

- 2.4 The executing agency has experience implementing Bank-financed projects. However, the recent changes in the composition of the program coordination unit's fiduciary team could lead to delays in execution. Therefore the Bank's team has been offering specific courses on fiduciary matters and Bank policies for the new members of the PCU's fiduciary team. Furthermore, the analysis of institutional capacity indicates that delays occurred in the execution of [3879/OC-DR](#) on account of difficulties in coordination between MITUR and the Office of the Comptroller General. Specifically, delays have occurred in the review and registration of program contracts in the Comptroller General's systems. To address this challenge, a unit of the Office of the Comptroller General has been installed in the program. Other steps may be taken to strengthen coordination and communication with the institutions in question during implementation of the investment grant to mitigate this risk if necessary.

D. Other risks and key project considerations

- 2.5 The risk analysis identified one medium-high and one high risk: (i) difficulties in coordinating program implementation with other public institutions with authority in aspects related to the project; and (ii) difficulties in implementing the housing program owing to the absence of property titles. The following mitigation measures will be adopted: (i) organization and formalization of working groups with MITUR, the Ministry of Housing, Habitat, and Buildings (MIVHED), the National District Government (ADN), the Ministry of Culture (MINC), the National Institute of Transit and Land Transportation (INTRANT), and the Metropolitan Bus Service Office (OMSA) through the signature of interagency coordination agreements; (ii) the early inclusion of those institutions in program design, defining agreements and coordination between the work teams; (iii) the conducting of technical studies to identify the legal status of property ownership in the CCSD; and (iv) the inclusion of evidence on property titling in the eligibility criteria for housing interventions.
- 2.6 The Bank will manage this investment grant as established in the Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs) (document SC-114) and the Operating Guidelines for Processing, Approval, and Supervision of Project Specific Grants Financed with Resources of the European Commission (document GN-2605-5). The EU's contribution will be made through a delegation agreement signed by the Bank and the EU in accordance with the terms and conditions established in the framework agreement. The contribution will be paid in euros and immediately converted into U.S. dollars upon receipt by the Bank's Finance Department. The Finance Department will inform the project team of the exchange rate applied to each contribution.

- 2.7 The final resources in U.S. dollars will depend on the exchange rate in effect on the date the Bank receives the funds and converts them into dollars. If, owing to an adverse fluctuation in the exchange rate, the budget denominated in dollars decreases, program activities will be reduced as necessary and the project team will adjust the budget accordingly, in consultation with the EU authorities. If, at the end of the program there is an uncommitted and unused balance related to EU funds, the executing agency will return those funds to the Bank, which will transfer them to the European Commission.
- 2.8 **Sustainability.** The plan of operations for the electromobility pilot project will include the necessary parameters for maintenance of the fleet, charging stations, and infrastructure under the responsibility of the operator and/or public and private partners linked to it, including the periodic replacement of batteries at the end of their useful life in accordance with the manufacturer's instructions, thereby assuring the sustainability of the intervention. These requirements will be stipulated in the interagency agreement to be established between the parties (paragraph 3.9).

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Beneficiary and executing agency.** The beneficiary of this investment grant will be the Dominican Republic, and the executing agency will be MITUR through the same project coordination unit (PCU) that is coordinating [3879/OC-DR](#). There are no plans to modify the structure of the PCU to deal with the new activities introduced with this operation, given their complementary nature. The structure, functions, and responsibilities of the investment grant management team will be governed by the program Operating Regulations for loan [3879/OC-DR](#). An institutional capacity assessment was conducted for loan [2587/OC-DR](#) which concluded that MITUR has the capacity to manage investment projects financed by the IDB. The project team updated the assessment in August 2021 and confirmed MITUR's capacity to implement the investment grant through the PCU for [3879/OC-DR](#).
- 3.2 There is a close connection between the loan program and this investment grant. The launch of the electromobility pilot project (Component 1) will be coordinated by MITUR with INTRANT, which will grant a provisional license to OMSA to operate electric vehicles on all its routes. The ADN will also support project implementation. The project will be coordinated with the loan [3879/OC-DR](#)'s program for installation of complementary infrastructure including stops for electric vehicles, and signage indicating accessible universal design. The housing interventions (Component 2) will be implemented by MITUR with technical support from the Ministry of Housing, Habitat, and Buildings (MIVHED), the ADN, and the Ministry of Culture. The housing interventions in both programs ([3879/OC-DR](#) and DR-G0004) will be governed by the same operations manual, which sets out the eligibility criteria, prioritization, and scope of the improvements.
- 3.3 The executing agency will take general fiduciary responsibility for implementing the investment grant. It will sign interagency coordination agreements with MIVHED of the National District, MINC, INTRANT, and OMSA to enable execution

of the planned activities. Those agreements will define the terms of cooperation and responsibilities of the different parties, including the approval of licenses to operate the electric vehicles through a public operator, the operation and maintenance of the vehicles for defined routes, and the operation and maintenance of charging stations to ensure their sustainability under the pilot project. They will also define the conditions for transferring the goods procured under the pilot electromobility project to OMSA. Working groups will be established composed of focal points designated by the above-mentioned institutions, which will meet periodically to review and discuss technical aspects for good execution.

- 3.4 **Procurement.** The executing agency will procure goods, works, services, and consulting services as established in the Policies for the procurement of goods and works financed by the Inter-American Development Bank (document GN-2349-15), the Policies for the selection and contracting of consultants financed by the Inter-American Development Bank (document GN-2350-15), the Guide for Acceptance and Use of Country Procurement Systems (document GN-2538-35), other internal Bank procedures, and the Framework Agreement between the EU and the Bank (see Chapter IV of document GN-2605-5, and the terms and conditions established in the supplementary agreement).
- 3.5 The above-mentioned documents establish the following: (i) suppliers, consultants, contractors, and service providers from the Bank's member countries and countries that the EU recognizes as eligible (those included in the list published as an annex to the EU's Practical Guide to Contract Procedures for EU External Actions) may participate in all procurement processes under the investment grant; and (ii) the borrower or beneficiary will keep the pertinent documentation during the program and for no less than five years after the date of the final disbursement.
- 3.6 **Financial management.** The program's financial management will conform to the provisions of the Bank's guidelines in document OP-273-12 and complementary operating guidelines, and the executing agency's processes and systems will be used. The executing agency will keep in mind the financial eligibility criteria established in the supplementary agreement.
- 3.7 **Disbursement period and method.** The disbursement period will be 42 months. In other words, the executing agency may only make disbursements of EU resources during the implementation/application period. Disbursements will take the form of advances, based on the cash flow of duly acquired commitments in the following six months, after having justified at least 70% of the previous advance, as established in the EU's general conditions, and 100% of any earlier prefinancing(s). Only payments associated with the final audited financial statement and the final evaluation (if applicable) may be made after the application period expires.
- 3.8 **Audited financial statements.** The beneficiary will submit the investment grant's audited financial statements annually to the Bank, audited by an independent firm acceptable to the Bank within 90 days after the close of each fiscal year and a final statement 90 days after the final disbursement. The audited financial statements should also include a report on internal control.

- 3.9 **Special contractual conditions precedent to the first disbursement of the investment grant:** (i) approval of the [program Operating Regulations](#) under the terms agreed upon in advance with the IDB; and (ii) signature by MITUR of interagency coordination agreements with MIVHED, ADN, MINC, INTRANT, and OMSA on the transfer of goods and the responsibilities of each institution during the program. These conditions are needed to guarantee early execution of the investment grant, considering each institution's responsibilities for execution. Approval of the Operating Regulations is indispensable for ensuring that activities are eligible and for facilitating coordination among the institutions.
- 3.10 During execution of the investment grant, the project management team will submit an annual work plan to the Bank for its no objection. The plan will describe progress in the program and the execution of its activities, including targets, results, the budget, the financial plan, and the execution timetable for the following year. The multiyear execution plan explains the program's progress and execution timetable for the pending years of the investment grant. The annual work plan and an initial multiyear execution plan ([required link 1](#)) have been prepared for the first year of program execution.
- 3.11 Other special execution conditions are contained in the ESMP and the [ESMR](#).
- 3.12 **Communication and visibility.** The investment grant's budget includes financing to execute the communication and visibility plan to be coordinated with the European Commission, the executing agency, and other institutions that will support implementation of the program, to transmit key messages to the target public. The actions will be determined on the basis of the EU's Communication and Visibility Manual for European External Actions (2018). The project executing agency will be responsible for putting them into practice and ensuring that the EU's contribution is highlighted in all stages of the project and related acts ([optional link 8](#)).
- 3.13 **[Program Operating Regulations](#).** The program Operating Regulations will set out responsibilities for administration, risk management, and coordination mechanisms among the different players in the program, particularly the public institutions with direct responsibility for implementing the interventions. The program Operating Regulations will also spell out the eligibility criteria for the beneficiaries of Component 2, the terms and conditions under which technical assistance will be provided, and other parameters or restrictions that govern use of the program's resources. As well, the program Operating Regulations will include the agreements on program planning, technical, environmental and social management, procurement, finances, and monitoring and evaluation.
- B. Summary of arrangements for monitoring results**
- 3.14 **Monitoring.** This will be based on: (i) the multiyear execution plan and the annual work plan; (ii) the procurement plan; (iii) the results matrix and the monitoring and evaluation plan; and (iv) the progress monitoring reports. The executing agency will prepare semiannual reports on the status of compliance with the outcome, output, and financial targets for Bank approval, with the IDB conducting inspection visits and ex post reviews as part of the program's monitoring and evaluation plan ([required link 2](#)).

- 3.15 The descriptive and financial sections of the reports must comply with the EU's requirements. The descriptive section should include the following information: (i) real results (with an updated table on the program's results matrix); (ii) activities carried out; (iii) activities carried out under the visibility and communication plan; and (iv) work plan for the next period. The financial section will track spending at the activity level and report on activities in accordance with the itemized budget approved. Expenditures will be expressed in U.S. dollars and in euros. The Bank will send the final report to the EU within the nine months following the end of the program implementation period.
- 3.16 The Bank, through the project team, will be responsible for coordination and will oversee that the monitoring plan is adhered to with the technical quality and within the time frames established. To that end, it will organize monitoring missions and periodic meetings to analyze the following: (i) project structure; (ii) progress of disbursements; and (iii) progress in the output indicators. The IDB will inform the directing committee prior to the missions and will disclose all the monitoring reports. If it wishes and assuming all the costs, the EU may accompany the monitoring missions.
- 3.17 **Program evaluation.** This will be based on results measurement, using the reflexive and economic evaluation methodologies. The investment grant will be evaluated according to the annual targets and indicators for the outputs and outcomes in the program's results matrix. On the output level, a baseline and a final target will be defined, along with the respective annual targets.

Development Effectiveness Matrix		
Summary		DR-G0004
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results		
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2908	Improve productive infrastructure
Country Program Results Matrix		The intervention is not included in the 2021 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		6.2
3.1 Program Diagnosis		2.0
3.2 Proposed Interventions or Solutions		1.6
3.3 Results Matrix Quality		2.6
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		8.8
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		4.8
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		B
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

The general objective of the program is to revitalize the Ciudad Colonial de Santo Domingo (CCSD) in its urban, economic, and cultural touristic aspects. The program has two projects: DR-L1084 and DR-G0004. This grant (DR-G0004) contributes to two of the specific objectives of the program: (i) the recovery of public spaces and historical monuments; and (ii) the improvement of living conditions for residents.

The program presents a complete diagnosis, with an accurate description of the need for investments in transportation, mobility, and improved living conditions. It presents a detailed explanation of the recent experience in transportation sector reform and urban development programs in the Dominican Republic. Most of the results matrix outcome indicators do not have defined baselines and targets, and some might not be attributable to the program. The outcome and output indicators related to the improvement of living conditions of the residents are not specific.

The economic analysis of the project was carried out through a cost-benefit analysis (CBA). The analysis compares the costs and benefits of the program, considering the increase in resources that enter the CCSD coming from the program's execution. The CBA makes reasonable assumptions, uses a rigorous methodology, and has an adequate sensitivity analysis. The analysis concludes that the project is economically viable with an IRR of 13% (considering a discount rate of 12%).

The project includes a monitoring and evaluation plan according to the Bank's standards. The effectiveness of the proposed intervention will be measured by an evaluation using a before and after methodology. Additionally, the efficiency of the project will be evaluated using an ex-post cost-benefit analysis. The mechanisms for monitoring the disbursement indicators have well defined sources of information and verification protocols.

RESULTS MATRIX

Project objective:	The main objective of this investment grant is to revitalize the colonial city of Santo Domingo (CCSD) in urban, economic, and cultural tourism aspects through: (i) the recovery of public spaces and historic monuments; and (ii) an improvement in livability for residents.
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GENERAL DEVELOPMENT OBJECTIVE

Indicator	Unit of measure	Baseline value	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: To revitalize the colonial city of Santo Domingo (CCSD) in urban, economic, and cultural tourism aspects.							
Average spending per foreign tourist in the CCSD	US\$/person/day	84	2018	2026	89	Survey of tourist demand (CCSD Tourism Observatory)	

SPECIFIC DEVELOPMENT OBJECTIVES

Indicator	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2026	Means of verification	Comments
Specific development objective (Component 1): Recovery of public spaces and historic monuments									
Annual average hotel occupancy in the CCSD	%	38	2020	44	48	55	76	Carrying capacity system of the CCSD Tourism Observatory	
Foreign visitors to the CCSD	# of visitors	204,368	2020	319,325	399,156	558,819	604,418	Carrying capacity system of the CCSD Tourism Observatory	
Museum visitors	# of visitors	76,965	2020				284,218	Ministry of Culture, Museums Branch	
Women trained in eco-driving, passengers with disabilities and/or reduced mobility, and electric vehicle maintenance	# of women trained/total # of persons trained	0	2021				To be determined	MITUR annual monitoring report	

Indicator	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2026	Means of verification	Comments
Passengers using electric vehicles for trips each month	# of passengers	0	2021				To be determined	MITUR annual monitoring report with information provided by the public operator	
Total number of charges at electric charging stations	# of charges	0	2021	0	0	4,800	4,800	MITUR annual monitoring report with information provided by the public operator	The energy consumption of electric vehicles operating in the project will also be counted, as phased in. ¹
Reduction in emissions related to vehicle traffic in the CCSD	# of tons of GHG (CO ₂ eq)	TBD	2021				TBD	MITUR final program report with information provided by the public operator	
	# tons of NO _x and SO ₂ gases	TBD	2021				TBD		
	# tons of particulate matter (PM _{2.5})	TBD	2021				TBD		
Reduction in emissions from the users' modal change (combustion to electric)	# of tons of GHG (CO ₂ eq)	TBD	2021				TBD	MITUR final program report with information provided by the public operator	
	# tons of NO _x and SO ₂ gases	TBD	2021				TBD		
	# tons of particulate matter (PM _{2.5})	TBD	2021				TBD		

¹ This corresponds to the slow-charging scenario. In a fast-charging scenario, the target will be 16,000. This will be reviewed at the launch workshop.

Indicator	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2026	Means of verification	Comments
Specific development objective (Component 2): Improvement in livability for residents									
Substandard housing in the northern neighborhoods of the CCSD/total housing in the northern neighborhoods of the CCSD	%	To be determined	2021				To be determined	MITUR annual monitoring report	Broken down by gender—substandard housing in households headed by women. The concept of adequate housing is being defined in the Habitat for Humanity study. The results are expected before the operation is approved.
Legal instruments on housing ownership issued to beneficiaries	# of instruments	0	2021				To be determined	MITUR annual monitoring report	The instruments include property titles.
Women heads of households who benefit from the clinic on legal regularization of property titles	# of women heads of households who benefit from the clinic/total number of people benefiting from the clinic	0	2021				To be determined	MITUR annual monitoring report	

OUTPUTS

Output	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2025	Means of verification	Comments
Component 1: Electromobility pilot project									
Electric vehicles offering accessible universal design ²	# of electric vehicles	0	2021	0	4	0	4	MITUR annual monitoring report	The value of investments in low-carbon and/or resilient infrastructure will be counted.
Electric charging stations	# of charging stations	0	2021	0	2	0	2	MITUR annual monitoring report	The value of investments in low-carbon and/or resilient infrastructure will be counted.
Training in eco-driving, passengers with disabilities and/or reduced mobility, and electric vehicle maintenance with priority given to women	# of training sessions	0	2021	0	1	0	1	MITUR annual monitoring report	
Baseline study on air quality, especially particulate matter, and CO ₂ emissions	# of studies	0	2021	0	1	0	1	MITUR annual monitoring report	
Business models to scale up electromobility projects	# of studies	0	2021	0	1	0	1	MITUR annual monitoring report	
Communication and visibility plan	# of plans	0	2021	0	0	1	1	MITUR annual monitoring report	

² Includes an access ramp, reserved space for wheelchairs, information screens for users, and adequate sound elements.

Output	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2025	Means of verification	Comments
Component 2: Housing improvements									
Houses upgraded, with a focus on climate change	# of houses	0	2021	0	0	60	60	MITUR annual monitoring report	This indicator is obtained from a breakdown of the indicator "Houses improved" in loan DR-L1084. "With a focus on climate change" means that the measures will include improvements that result in a minimum 20% savings in energy, and water and energy incorporated into materials. The value of investments in low-carbon and/or resilient infrastructure will be counted. The number of beneficiaries of greater resilience to natural disasters and climate change will also be counted.
Improved houses occupied by families headed by women or older adults or that include a person with disabilities	# of houses	0	2021	0	0	To be determined	To be determined	MITUR annual monitoring report	This indicator is obtained from a breakdown of the indicator "Houses improved" in loan DR-L1084. Broken down by gender and diversity (women, older adults, and persons with disabilities). Women heads of families are defined as women, regardless of their civil status, who head the household and have permanently under their emotional, economic, or social care children of their own, persons with disabilities, or persons who are unfit for work. "Person with disabilities" means a person with physical, mental, intellectual, or sensory impairment. Older adults are people over 75 years of age (Law 352-98 Dominican Republic).

Output	Unit of measure	Baseline value	Baseline year	Year 1 2022	Year 2 2023	Year 3 2024	End of project 2025	Means of verification	Comments
Clinic on legal regularization of property titles, giving priority to women	# of clinics	0	2021	0	1	0	1	MITUR annual monitoring report	

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Dominican Republic **Division:** Housing and Urban Development (CSD/HUD) **Operation number:** DR-G0004 **Year:** 2021

Executing agency: Ministry of Tourism

Name: Integrated Tourism and Urban Development Program for the Colonial City of Santo Domingo

I. THE EXECUTING AGENCY'S FIDUCIARY CONTEXT

1. Use of country systems for the operation (any system or subsystem approved subsequently may be applicable to the operation, in accordance with the terms of Bank validation).

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information system	<input type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Cash flow	<input type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Cofinancing	The program has an investment grant to be facilitated by the European Union (EU) and administered by the Bank.
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3. Fiduciary capacity

The executing agency's fiduciary capacity	Based on the results of the fiduciary assessment performed using the ICAP tool for loan 2587/OC-DR, which was updated in August 2021, the fiduciary risk for program execution is medium-high. The Ministry of Tourism (MITUR) (the executing agency) has experience in similar programs gained under the first operation to revitalize the colonial zone (2587/OC-DR), the second phase of which (3879/OC-DR) is currently in execution. The executing agency has a structure and staff qualified to take on fiduciary responsibility for the program. However, some risks have been identified related to the recent changes in the composition of the executing agency's fiduciary team, the lack of documented procedures, and the execution times for some fiduciary processes that could have an impact on program execution. To mitigate these risks and ensure good fiduciary management by the project executing unit (PEU), recommendations have been proposed that are described in Section 4 of this annex. Furthermore, during the program the Bank will conduct supervision visits to monitor the implementation status of the recommended activities and of the fiduciary arrangements.
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	<p>The Dominican Republic's public finance management systems were evaluated (August 2017 and October 2019) and in general, the results indicate that the systems' development is medium and the use of country systems does not pose major risks for execution of IDB-financed projects. According to the updated analysis of the government procurement system performed in February 2016 applying the methodology developed by the OECD's Development Assistance Committee (OECD/DAC), a moderately advanced system was identified, with some opportunities for improvement in terms of sanction and control mechanisms.</p>
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4. Fiduciary risks and responses

Area (financial management/procurement)	Risk	Risk level	Response
Financial management and procurement	Potential delays in execution owing to the limited knowledge of Bank policies by the new members of the PCU's fiduciary and technical team.	Medium-high	The Bank team will continue to offer training to support the new members of the fiduciary team and the technical units involved in execution.
Financial management and procurement	Potential delays in execution owing to delays by the Ministry of Public Administration in contracting personnel and by the Office of the Comptroller General in processing payments.	Medium-low	Talks will take place between MITUR and those institutions, with Bank support, to establish review flows applicable to these specific procedures.
Financial management and procurement	Potential delays in execution owing to the lack of adequate procedures for managing project procurements.	Medium-low	The EU will establish internal procedures in a manual of procedures to manage these processes.

5. Policies and guidelines applicable to the operation: the Financial Management Guidelines for IDB-financed projects (document OP-273-12); the Disbursement Instructions; the Instructions for financial reports and external audit of procurements; the Policies for the procurement of goods and works financed by the IDB (document GN-2349-15); the Policies for the selection and contracting of consultants financed by the IDB (document GN-2350-15); the Supplementary Program Agreement (EU and IDB); and the Framework Agreement between the European Union and the Bank (29 September 2020).
6. Exceptions to policies and guidelines: No exceptions are anticipated.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACT

Exchange rate for justifying expenditures in the local currency of the borrowing member country: Option (b)(ii) of Article 4.10 of the General Conditions of the loan contract, i.e. the exchange rate in effect on the date the expense is paid in the local currency of the borrowing country.
Type of audit: Annually, the program's audited financial statements no later than 90 days after the close of each fiscal period. At the close of the project, the final audited financial statements no later than 90 days after the last disbursement.
Other reports: In the first six months of each period, an unaudited report on financial execution within 60 days after the close of each six-month period.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	For procurement of works, goods, and nonconsulting services executed in accordance with the procurement policies (document GN-2349-15), subject to international competitive bidding (ICB), the IDB's standard bidding documents will be used or those agreed upon by the executing agency and the Bank for a particular procurement. Consulting services will be selected and contracted in accordance with the Policies for the selection of consultants (document GN-2350-15) and will use the standard request for proposals issued by the Bank or agreed upon by the executing agency and the Bank for a particular selection. The technical specifications and terms of reference will be reviewed during preparation of the selection processes by the project's sector specialist. This technical review may be ex ante and is independent of the procurement review method.
<input checked="" type="checkbox"/>	Alternative procurement arrangements	Based on the Supplemental Agreement "Additional obligations deriving from the framework agreement between the European Union and the Inter-American Development Bank," the following rules on eligibility are applicable to all procurements envisaged in the operation: "It is specifically agreed that any procedure for contracting works and nonconsulting services, procuring goods, or selecting and contracting of consulting services will be open to individuals and entities from any member country of the Bank, any member state of the European Union, and other eligible nonmember countries ("Other Eligible Countries") contemplated in the applicable regulatory provisions of the EU. The European Commission will publish the list (and any updates) as Annex II of the "Practical Guide to Contract Procedures for EU External Actions" (the "PRAG"), which is available on its website or which will be provided by the European Commission upon request by the Bank."

<input checked="" type="checkbox"/>	Procurement supervision	<p>Depending on the level of fiduciary risk identified for the project and the specific process, the supervision method will be ex ante or ex post. The ex post reviews will be performed in accordance with the annual supervision plan. The ex post review reports will include at least one physical inspection visit to the procurements subject to such reviews (the inspection will verify the existence of the procurements, leaving verification of their quality and compliance with the specifications to the sector specialist). The thresholds for ex post review are:</p> <table border="1"> <tr> <td>Works</td><td>Goods/services</td><td>Consulting services</td></tr> <tr> <td>N/A</td><td>N/A</td><td>Firms N/A Individuals US\$50,000</td></tr> </table>	Works	Goods/services	Consulting services	N/A	N/A	Firms N/A Individuals US\$50,000
Works	Goods/services	Consulting services						
N/A	N/A	Firms N/A Individuals US\$50,000						
<input checked="" type="checkbox"/>	Records and files	The executing agency will be responsible for maintaining the files and supporting documents for procurements and all receipts for payments made with project proceeds, using established procedures. The documents are to be kept for five years after the end date determined in the Subsidiary Agreement (IDB/EU) for the program.						

Main procurements

Description	Selection method	New procedures/tools	Estimated date	Estimated amount US\$
Goods				
Vehicles, maintenance equipment, and auxiliary support services	ICB		03/2023	US\$800,000
Works				
Housing improvements	LCB		01/2023	US\$1,170,000
Nonconsulting services				
Firms				
Preliminary studies and technical designs for infrastructure interventions	CQS		03/2023	US\$150,000
Individuals				

To consult the 18-month procurement plan, see ([required link 4](#)).

Procedures	Justification of use
Sustainability criteria	With regard to the procurement of vehicles, maintenance equipment, and auxiliary support services, sustainability criteria will be applied to give precedence to goods that comply with certain environmental standards.

Other relevant information for the operation (baseline)

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	The annual budget is prepared by the Ministry of Finance through its Budget Branch, in coordination with the Ministry of Economic Affairs, Planning, and Development, and the other government institutions linked to the process. The Ministry of Public Administration, through the PEU, will be responsible for project planning and budgeting, and will use planning tools, including the Bank's (project execution plan, annual work plan (AWP), procurement plan, and financial plan).
<input checked="" type="checkbox"/>	Cash flow and disbursement management	<ul style="list-style-type: none"> • Cash flow programming will be consistent with the AWP and the procurement plan that have received the Bank's no objection, and should cover a 12-month period. • The project will use a special bank account in its name in the Central Bank, managed through a subaccount in the General Treasury Account. • Initially disbursement requests will be submitted manually, however this may change in future if the authorities agree to use the Bank's electronic disbursement system. • The currencies for financial reporting are U.S. dollars and euros. • The main disbursement mode to be used will be advances, based on financial planning for up to six months. Seventy percent the previous disbursements will need to be justified.
<input checked="" type="checkbox"/>	Accounting, information systems, and reporting	<p>The specific accounting rules to be followed are the International Public Sector Accounting Standards (IPSAS). The Financial Management System for the execution units of projects with external financing (UEPEX) of the country's integrated financial management system (SIGEF) will be used as the technical platform, and cash-basis accounting will be used. All the project's key financial reports, including disbursement requests, will be generated directly by that system.</p> <p>The program Operating Regulations will be used as a complement to the policies and guidelines applicable to the operation, which contain a documented definition of work flows, procedures, and internal controls.</p>
<input checked="" type="checkbox"/>	Internal control and audit	The government's internal audit function is the responsibility of the Office of the Comptroller General (CGRD). The CGRD performs this function through internal audit units in each of the country's government agencies.
<input checked="" type="checkbox"/>	External control and financial reports	<p>The borrower and/or executing agency will select and contract external auditing services based on terms of reference agreed upon in advance between the executing agency and the Bank. They will establish the type of review, frequency, and scope. The selected auditor and auditing standards to be applied must be acceptable to the Bank. In line with the nature and risk of the operation, the program's financial statements will be needed, preferably audited by a firm whose level exceeds the eligibility level. The type of audit and eligibility level for auditors may be adjusted during the project, depending on the results of Bank supervision.</p> <p>The required audited financial statements are:</p> <ul style="list-style-type: none"> -Annual, submitted to the Bank no later than 90 days after the end of each fiscal period (31 December). -Final, no later than 90 days after the date of the last disbursement.

<input checked="" type="checkbox"/>	Financial supervision of the operation	Under the responsibility of the financial specialist, on site and desk reviews will be performed at minimum intervals of once a year, subject to adjustment during execution. Supervision will consist of monitoring the status of implementation of the activities recommended to bolster the capacity of the unit, the status of fiduciary arrangements, ex post reviews, inspection visits, and ongoing dialogue and communication with the executing agency. Supervision will also be performed through the annual financial audits.
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INTEGRATED TOURISM AND URBAN DEVELOPMENT PROGRAM FOR THE COLONIAL CITY OF SANTO DOMINGO

DR-G0004

CERTIFICATION

The Grants and Co-Financing Management Unit (ORP/GCM) certifies that the referenced operation will be financed through:

Funding Source	Fund Code	Currency	Amount Up to
EU-IDB Financial Framework Partnership Agreement (2020)	ECR	EUR	3,210,000
		(USD eq)	3.827.762

For operations financed by funds where the Inter-American Development Bank (IDB) does not control liquidity, the availability of resources is contingent upon the request and the receipt of the resources from the donors. Additionally, in case of operations financed by funds that require a post-approval agreement with the donor, the availability of resources is contingent upon the signature of the agreement between the Donor and the IDB. (i.e.: Project Specific Grants (PSG), Financial Intermediary Funds (FIF), and single donor trust funds).

Certified by:

Original Signed

Maria Fernanda Garcia

Chief

Grants and Co-Financing Management Unit
ORP/GCM

Oct-22-2021

Date

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/___

Dominican Republic. Nonreimbursable Investment Financing GRT/___-___-DR
Integrated Tourism and Urban Development Program for the
Colonial City of Santo Domingo

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreement or agreements as may be necessary with the Dominican Republic, as beneficiary, for the purpose of granting it a nonreimbursable investment financing for a sum of up to €3,210,000 chargeable to the resources to be granted by the European, pursuant to the agreement or agreements specified in paragraph 2 below, and to adopt any other measures as may be pertinent for the execution of the project proposal contained in document PR-_____.

2. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreement or agreements with the European Union as may be necessary to receive and administer resources for the purposes described in the project proposal specified in paragraph 1 above, and to adopt any other measures as may be pertinent for the execution of said agreement or agreements.

3. That the authorization granted in paragraph 1 above will be effective once the Bank and the European Union have entered into the corresponding agreement or agreements to which reference is made in paragraph 2.

(Adopted on _____)