

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

DOMINICAN REPUBLIC

**SUPPORT FOR CONSOLIDATION OF AN INCLUSIVE SOCIAL PROTECTION
SYSTEM IN THE DOMINICAN REPUBLIC**

(DR-L1152)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Carolina González, Project Team Leader (SPH/CDR); María Teresa Villanueva, Alternate Project Team Leader (SCL/GDI); Patricia Jara (SPH/CCH); Leonardo Pinzón (SPH/CNI); Marco Stampini, Drina Saric, and Martha Guerra (SCL/SPH); Denise Salabie and Romina Kirkagacli (VPC/FMP); Soraya Senosier and Alessandro Sidore (VPS/ESG); Awilda Castillo (CID/CDR); María Cristina Landazuri-Levey (LEG/SGO); Juan Antonio del Barrio and Wilhelm Dalaison (INE/INE); Sebastian Gallegos (SPD/SDV); Suzanne Duryea (SCL/GDI); Joaquin Zentner (CID/CDR); Mariana Alfonso (CSD/CCS); and Benoit Lefevre (CCS/CDR).

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REQUIRED LINKS	
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2.	Monitoring and evaluation plan
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4.	Procurement plan

OPTIONAL LINKS	
1.	Project economic analysis
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ABBREVIATIONS

ADESS	Administradora de Subsidios Sociales [Social Subsidies Administrator]
CAIPI	Centro de Atención Integral a la Primera Infancia [Center for Integrated Care in Early Childhood]
CCP	Centro de Capacitación y Producción [Training and Production Center]
CCT	Conditional cash transfer
CDI	Centros de Desarrollo Integral [Comprehensive Development Centers]
CONADIS	Consejo Nacional de la Persona con Discapacidad [National Council for People with Disabilities]
CONAPE	Consejo Nacional de la Persona Envejeciente [National Council for the Elderly]
DGPS	Dirección General del Programa Supérate [Directorate General of the Supérate Program]
DICI	Dirección de Innovación y Cooperación Internacional [Department of Innovation and International Cooperation]
EDGE	Economic Dividends for Gender Equality
ENCFT	Encuesta Nacional Continua de Fuerza de Trabajo [Continuous National Workforce Survey]
ESMP	Environmental and Social Management Plan
GCPS	Gabinete de Coordinación de Política Social [Social Policy Coordination Cabinet]
ICB	International competitive bidding
ICV	Índice de Calidad de Vida [Quality of Life Index]
INAIPI	Instituto de Atención Integral a la Primera Infancia [Institute for Integrated Care in Early Childhood]
INFOTEP	Instituto Nacional de Formación Técnico Profesional [National Institute for Technical and Vocational Training]
MEPD	Ministry of the Economy, Planning, and Development
PROSOLI	Progresando con Solidaridad [Progressing with Solidarity]
QEC	Quédate en Casa [Stay at Home] program
ONE	Oficina Nacional de Estadística [National Statistics Office]
RPS	Red de Protección Social [Social Protection Network]
SAGIP	Sistema Automatizado de Gestión Integral de Progresando con Solidaridad [Progressing with Solidarity Automated Integrated Management System]
SIPS	Sistema de Información Progresando con Solidaridad [Progressing with Solidarity Information System]
SIUBEN	Sistema Único de Beneficiarios [Consolidated Beneficiary System]

PROJECT SUMMARY

DOMINICAN REPUBLIC

SUPPORT FOR CONSOLIDATION OF AN INCLUSIVE SOCIAL PROTECTION SYSTEM IN THE DOMINICAN REPUBLIC (DR-L1152)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Dominican Republic			Amortization period:	25 years
Executing agency:			Disbursement period:	5 years
Directorate General of the Supérate Program (DGPS)			Grace period:	6.3 years ^(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR-based ^(c)
Total IDB (Ordinary Capital)	100,000,000	100	Credit fee:	(d)
			Inspection and supervision fee:	(d)
			Weighted average life:	15.23 years
			Approval currency:	U.S. dollar
Project at a Glance				
Project objective/description: The objective of the operation is to improve living conditions for the country's most vulnerable population groups by: (i) improving the response capacity of the social protection network; and (ii) supporting the creation of a new care component in the Supérate program.				
Conditions precedent to the first disbursement of the loan: (i) creation by the executing agency of a program execution unit with the appointment or contracting of, at minimum: a technical coordinator and a financial specialist; and the contracting of, at minimum: an environmental specialist, a social specialist, and a procurement specialist; (ii) presentation to the Bank of the Supérate program Operating Manual, as updated and in effect; (iii) approval of the program Operating Regulations (paragraph 3.4).				
Special contractual conditions relating to execution: (i) prior to the delivery of each of the construction works planned under Component 2, a certificate of acceptance will be signed by the institution that will be responsible for its operation and maintenance; (ii) prior to the disbursement of resources allocated to Component 2, a framework agreement will be signed creating the interagency roundtable on care and specifying the remits and responsibilities of each institution during execution of the care pilot project. In addition, the borrower will fulfill the special contractual conditions relating to execution stipulated in Annex B to the Environmental and Social Management Report (paragraph 3.5).				
Exceptions to Bank policies: None				
Strategic Alignment				
Challenges: ^(e)	SI <input checked="" type="checkbox"/>		PI <input type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(f)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract

^(c) In keeping with document FN-729 (Strategy and Operational Readiness for the Execution of the LIBOR Transition for the IDB Balance Sheet) and document CF-257-1 (Base Rate Replacement for Sovereign Guaranteed LIBOR-based Loans), this loan will be subject to the SOFR-based interest rate, upon notification to the borrower by the Bank or at the borrower's request, pursuant to the provisions of the loan contract.

^(d) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

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

^(f) 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 **Macroeconomic context and poverty.** The last decade was marked by steady growth in the Dominican Republic. GDP growth rose from 0.9% in 2009 to 5.1% in 2019, accompanied by higher levels of employment, reaching 60% of the working age population, and a 5% annual increase in per capita income [\[1\]](#).¹ This was reflected in improved social indicators, particularly a reduction in poverty. In 2009, poverty and extreme poverty affected 41.2% and 11.2% of the population, respectively, but by 2019 these proportions had fallen to 21% and 2.7% [\[2\]](#).
- 1.2 As a consequence of the SARS Cov-2 health crisis, however, the economy contracted by 6.7%. The overall labor market participation rate fell from 65.4% at the end of 2019 to 61.7% in the first quarter 2021, as approximately 211,000 people dropped out of the labor market. The middle classes fell from 35% to 29% of the population [\[3\]](#), while poverty rose to 23.4% and extreme poverty to 3.5% [\[4\]](#), representing a return to 2018 levels and exacerbating several challenges in the social protection system.
- 1.3 According to recent analyses by the Economic Commission for Latin America and the Caribbean, the crisis created by the pandemic has had a greater impact on the region's informal workers, and on women, owing to the increased burden of unremunerated care. According to data from a survey of the socioeconomic impact of COVID-19 on the poorest and most vulnerable groups in the Dominican Republic, 51.8% of those surveyed indicated that they had either lost their job or experienced reduced earnings as a consequence of the pandemic. Although the pandemic has affected all of society to varying degrees, the poorest and most vulnerable segments have been hit the hardest, and it will take time for them to recover. Direct, targeted intervention will also be required to maintain levels of consumption for these groups.
- 1.4 **Progress and challenges in social protection prior to the SARS-CoV-2 pandemic.** Since their creation in 2005, conditional cash transfers (CCTs) have been one of the main tools for alleviating poverty in the country. The program Progresando con Solidaridad (Progressing with Solidarity) (PROSOLI) provides CCTs in the areas of education, health, and social and educational support, and it has become one of the most important programs for promoting human capital accumulation and maintaining consumption levels in the poorest households. As of 2020, PROSOLI covered 863,281 poor and vulnerable households in categories I and II of the Quality of Life Index (ICV). Recent estimates indicate that poverty would have been 0.9 percentage points higher in 2019 in the absence of CCTs, with extreme poverty 0.3 percentage points higher [\[5\]](#).
- 1.5 CCTs were implemented through the Social Protection Network (RPS), which is made up of (i) PROSOLI's institutional structures; (ii) the Consolidated Beneficiary System (SIUBEN), the institution responsible for supporting transparent and objective targeting in social assistance programs by identifying and classifying potential beneficiary households based on their socioeconomic status. SIUBEN assigns an ICV score to each household based on its poverty level, with extremely

¹ References cited in this document are available at [optional link 3](#).

poor households classified as ICV I and moderately poor ones as ICV II. It also compiles a register of households to select social program beneficiaries based on its operational rules and budgets; and (iii) the Social Subsidies Administrator (ADESS), which is the entity responsible for issuing transfer payments to beneficiaries of PROSOLI and other social programs. CCT payments are made by means of a cash card that can be used in the Social Supply Network (RAS), which consists primarily of retail grocery stores. The Social Policy Coordination Cabinet (GCPS) coordinates social policies aimed at reducing poverty in the country.

- 1.6 The Bank has supported the work of these entities by strengthening the RPS and PROSOLI,² including improvements in the targeting instrument, co-responsibility verification capabilities, and the structure of transfers, as well as the elimination of gaps in primary health care centers in the poorest areas of the country. The PROSOLI impact evaluation [\[6\]](#), which employed a random experimental design and was also supported by the Bank, found that the social and educational support provided by PROSOLI family liaison officers increased school attendance by primary and secondary school students by around 4 percentage points and 6 percentage points, respectively. It also improved attendance at preventive healthcare visits for children aged 3 to 6 years and increased the use of family planning methods by participating women. In terms of consumption, beneficiary households were 7.5 percentage points less likely to have skipped a meal in the preceding month and 8.6 percentage points less likely to have requested food support from family and friends. In addition, strengthening of the RPS has helped to improve the composition of social spending by improving the proportion that is targeted from 6.2% of the total in 2005 to 62% in 2019, with CCTs amounting to 0.33% of GDP.
- 1.7 Although PROSOLI has yielded several achievements, there have also been challenges. Coverage has expanded since the program was created, reaching 86% of the households classified as eligible by SIUBEN in 2020. Despite this, the program's undercoverage of ICV I and II households was estimated at around 60% in 2020. Moreover, according to data from the third socioeconomic household study, approximately 4.4% of PROSOLI beneficiary households (classified as ICV I or II upon entering the program) belonged to ICV IV and approximately 41.8% to ICV III. This was due to flaws in the ICV, a lack of recertification, and the absence of a beneficiary exit strategy, among other things. The level of CCTs was relatively low, at between 19% and 23% of the cost of a basic consumption basket for the first quintile. There were also weaknesses in social and educational support, in terms of the quality and documentation of visits made.
- 1.8 **Social protection during the pandemic.** PROSOLI CCTs were one of the most effective platforms for mitigating the impact of the crisis on the poorest and most vulnerable households. In April 2020, the country created a temporary support program, Quédate en Casa [Stay at Home] (QEC), to deliver unconditional cash transfers of between RD\$5,000 and RD\$7,000 per month (equivalent to US\$88 and US\$123, respectively) to 1.5 million Dominican households. Although, as indicated in paragraph 1.7, PROSOLI benefited ICV III and ICV IV households as well as ICV I and II beneficiaries, this proved beneficial in the context of the pandemic as it facilitated an expansion in QEC coverage. Accordingly, QEC beneficiary households

² Completed operations 2176/OC-DR, 2426/OC-DR and 2623/OC-DR, 2733/OC-DR, and 2972/OC-DR.

included not only the 863,281 PROSOLI beneficiary households, but also a further 683,763 ICV I and II households and a proportion of ICV III households not already participating in the program. The QEC program helped to eliminate coverage gaps in PROSOLI and represented an advance in terms of the generosity of transfers, which were equivalent to 60% of the cost of the basic consumption basket for the first quintile and 1.86% of GDP. In addition to QEC, the country had a number of other temporary programs, such as the Employee Solidarity Assistance Fund (FASE) and the Pa'Ti [For You] program for self-employed workers. According to government estimates, in the absence of these programs, levels of monetary poverty and extreme poverty would have been 5.7 percentage points and 1.7 percentage points higher, respectively, than those effectively observed in 2020 (as described in paragraph 1.2).

- 1.9 **Creation of the Supérate program.** The last payment under the QEC program was made in April 2021, and in June 2021, the government issued Decree 377-21 replacing PROSOLI with the Supérate poverty reduction program.³ A program of the Office of the President, Supérate is part of the RPS and is coordinated by the Social Policy Coordination Cabinet. A program director has been appointed and will be supported in their role by an appropriate organizational structure, as will be defined in the Supérate Operating Manual. In addition to providing CCTs, Supérate seeks to help households to gradually increase their independence by accessing services. To this end, the Supérate program is responsible for continuing a number of the activities performed under PROSOLI (e.g., CCT management and the Aprende, Avanza, and Aliméntate programs), as well as providing social and educational support. It is also responsible, among other things, for implementing a new range of services, including the coordination of household care services. Supérate is estimated to benefit 1,350,000 ICV I and II households, thus helping to reduce the undercoverage observed in PROSOLI. It also excludes ICV III households that had been included in the QEC program and thus improves the targeting of poorer households.
- 1.10 The economic recovery process may take several months, and it is therefore essential to balance short-term support for poverty alleviation with long-term measures that target poor and extremely poor groups (ICV I and II) through a more efficient social protection system. Efforts will therefore be made under Supérate to improve targeting, supporting consumption by ICV I and II households through higher CCT amounts and an expansion in the number of beneficiaries. The latter will include PROSOLI beneficiaries and households that were pushed into poverty by the COVID-19 crisis. The new CCT amount, equivalent to 0.4% of GDP in 2021, represents a doubling of the value of the monthly prepandemic CCT, from RD\$825 (US\$14.70) to RD\$1,650 (US\$29). Supérate will include the area of dependent care, which the pandemic has highlighted as a constraint on women's opportunities for joining the labor force, together with the insufficiency of existing services.

³ Replacing PROSOLI with the Supérate program corresponds to a change introduced by the new government that took office on 16 August 2020. In addition to renewing the CCT program, additional lines of action were introduced into the Supérate program, described in Decree 377-21, which will also contribute to its strengthening. Supérate retains the same operational structure and monitoring, accountability, and transparency mechanisms that PROSOLI had and is, in turn, supported by the SIUBEN and ADESS.

- 1.11 **The unremunerated care burden as an obstacle to women's labor participation.** As a result of the pandemic, female employment fell by around 200,000 year-on-year in each quarter of 2020, with 90% of this decline relating to remunerated domestic employment. Policies in response to the pandemic have mitigated monetary poverty but not the burden of household care, which primarily affects women. Two in every five economically inactive women are performing family care responsibilities [7]. Recent studies indicate that the pandemic may have set back women's labor force participation in the region by 10 years [8]. According to data from the Dominican Labor Market Profile Report [9], women in the Dominican Republic are estimated to spend five times as much time on care work as men. An increase in the number of hours spent on unremunerated care work is associated with a reduction in women's opportunities for engaging in remunerated work.
- 1.12 In the case of the poorest and most vulnerable households, most care responsibilities fall to women as the supply of public support services is insufficient. For example, early childhood care services are the responsibility of the Institute for Integrated Care in Early Childhood (INAPI), which administers the Centers for Integrated Care in Early Childhood (CAIPs). The country's 131 CAIPs benefit 8,575 poor and vulnerable children between 0 and 4 years of age [10], compared with an estimated 308,485 poor and vulnerable children who are in need of care. This is a critical issue, as international evidence indicates that experiences in the first years of life determine outcomes in the areas of school performance, physical and mental health, employment, and criminality [11].
- 1.13 **Care and/or assistance services for other vulnerable groups.** The country lacks current estimates of the total number of dependents, and no system has been developed to measure dependency and its degree of severity. International practice deems a person to be functionally dependent if he or she requires the support of other people to perform basic activities of daily living (ADLs) [12] (e.g., moving around a room, using the toilet, eating, bathing, and dressing) or instrumental activities of daily living (IADLs), which are characterized by greater cognitive and motor complexity (e.g., cooking, using transportation, or taking medication). Estimating the size of a country's dependent population and assessing the severity of that dependency is only possible if there is a system available that uses a standardized instrument to measure and assess dependency; this allows assistance needs to be determined based on the level of difficulty experienced. The number of older people in a country can be used as a proxy to estimate the dependent population, and in the Dominican Republic older people are expected to account for 15% of the population in 2050. However, dependency is present not only among older people but also people of different ages.
- 1.14 The lack of a measurement system is also seen in the area of disability. The most recent data is from the 2010 census, according to which disability prevalence in the country is 12.4%. Prevalence is higher among women, at 14.1%, compared with 10.8% for men. Nonetheless, there is no interoperable system to register the data of people with disabilities and identify their needs. Such a system represents a first step toward organizing a care strategy for people with disabilities.

- 1.15 **Challenges in the social protection network.** A priority objective for the government is to strengthen initiatives to counter and mitigate poverty, as declared in [Decree 377-21](#) creating the Supérate program. Two challenges have been identified as priorities: (i) improving the RPS's response capacity through improved coordination and interoperability mechanisms, so that it can efficiently and effectively serve those families most in need; and (ii) expanding Supérate's portfolio of services by incorporating a new care component.
- 1.16 **First challenge: Improving the RPS's response capacity.** Internal and external mechanisms were introduced several years ago to ensure the transparency of CCTs. These mechanisms have included regular audits carried out by independent teams following the Bank's policies. Audit tasks include verifying payment flows, confirming that the correct households are receiving the CCTs, and ensuring that payment mechanisms are effective. In addition, the CCT program uses the Progressing with Solidarity Information System (SIPS) and the Progressing with Solidarity Automated Integrated Management System (SAGIP), also supported by the Bank, which allow monitoring of beneficiaries and their co-responsibilities. These tools have helped to ensure transparency and traceability of the payments received by CCT beneficiaries, thus avoiding fraud and the inappropriate use of budget funds, and continued support for them is required.
- 1.17 Although the availability of a beneficiary targeting system through SIUBEN has facilitated the government's response to the pandemic-related crisis, a number of weaknesses have become clear. Data collected in 2018 covered 62.7% of Dominican households, but did not include areas in which poverty rates have changed as a result of the pandemic. To address these information deficits, the government is seeking to implement a universal social register that provides updated information, expands coverage, allows for more precise targeting, and facilitates interoperability. The aim is to enhance the traceability of beneficiaries and the support received by them, incorporating algorithms that allow predictive analysis of risks that may affect the population. In light of the challenges experienced in exchanging information between public institutions, support is being provided to SIUBEN to both develop protocols⁴ that facilitate interoperability and establish terms and conditions governing the exchange of information and to carry out the training needed to ensure that data is used effectively, thus avoiding or reducing the need for costly data-gathering exercises in the future.
- 1.18 At the same time, social and educational support provided by the family liaisons that visit beneficiary households will be strengthened under the Supérate program. As indicated in paragraph 1.6, this intervention has proven useful for encouraging the fulfillment of co-responsibilities. However, its operating arrangements need to be refined and the content simplified. The liaisons are currently failing to provide a consistent message, and they lack the didactic tools needed to facilitate their work with families. Visits are recorded on paper and are only digitalized in the program's office, thus hindering the inclusion of variables such as household GPS coordinates. In light of this situation and the increased number of beneficiaries under Supérate, it is important to ensure more efficient coverage of the liaisons' work.

⁴ Under technical cooperation operation ATN/OC-18710-DR, support is being provided to SIUBEN to help develop these protocols and train its team in data mining.

- 1.19 Lastly, one of the greatest challenges for the RPS is to maintain transfers to beneficiary households covered prior to the pandemic while also supporting newly eligible families that have fallen into poverty due to the health crisis, as discussed in paragraph 1.10. In this context, one of the main challenges will be to secure funding to meet these commitments in the face of reduced government revenues and strong demand for resources to address the effects of the pandemic.
- 1.20 Improving the RPS's response capacity will therefore involve (i) upgrading technology in both SIUBEN and Supérate, including updating of the SAGIP and SIPS systems with a view to strengthening the monitoring and verification of co-responsibilities; (ii) correcting the data management model used to identify the target population through SIUBEN; (iii) updating beneficiary data through a new household socioeconomic study; (iv) incorporating the use of digital resources into home visits, as well as training family liaisons to improve performance of their current functions and their tasks under Supérate; (v) ensuring that there is a sufficient number of family liaisons to have the necessary impact on Supérate beneficiaries; and (vi) helping ensure minimum levels of consumption on the part of the poor and extremely poor by providing adequate CCTs.
- 1.21 **Second challenge: Developing the new Supérate care component.** As described in paragraph 1.12, the country lacks a system to address dependency and support care provision and is including this issue for the first time as a component to be developed within the RPS. The first phase of this process involves developing the Supérate care component with reference to two central tasks. The first involves working with the entities responsible for care-related activities—Institute for Integrated Care in Early Childhood (INAIPI), the National Council for the Elderly (CONAPE), and the National Council for People with Disabilities (CONADIS)—to review and adjust their operational approach to service provision. Lay the groundwork for an expansion in the coverage of care and/or assistance services through adjustments to existing programs or the creation of new assistance modalities; design and implement an information system; harmonize the instruments used to detect care needs (particularly cases of disability and dependency); and build, expand, and equip infrastructure to support an expansion of service coverage.
- 1.22 The identified infrastructure for providing care and/or assistance services includes the following: (i) CAIPs, which offer around 10 hours of care, health, nutrition, early stimulation, and early childhood education services to children aged between 0 and 5 years; (ii) Comprehensive Development Centers (CDIs), which will provide care and/or assistance services for approximately 5 hours per day to children aged between 1 and 5 years that belong to Supérate beneficiary households participating in educational activities in Supérate's training and production centers; (iii) day care centers, which offer 12 hours of service each day to older people who return to their homes each night; and (iv) Training and Production Centers (CCPs), which in coordination with the National Institute for Technical and Vocational Training (INFOTEP) offer training services to Supérate beneficiary households and will assist with capacity-building for caregivers participating in the network.
- 1.23 The second part of the strategy for developing the care component involves implementation of a Care Network pilot project. This project will be executed in three Supérate beneficiary municipios—Azua, Santo Domingo Este, and

Banica⁵—and its objective will be to test the operation of a service network that meets the needs of both care-dependent citizens and their caregivers and creates opportunities for women to join the workforce. Under the pilot, family liaisons conducting Supérate home visits will take on new functions, identifying unmet care needs and making referrals to existing services. Participating institutions will move in parallel to expand coverage of their services. Similarly, emphasis will be placed on creating, testing, and institutionalizing these tools for assessing disability and dependency, as indicated in paragraphs 1.12 and 1.13. To create care-related employment opportunities, the pilot project will provide for early childhood care training and certification based on INAIPI standards, as well as a new training program in care for older adults, people with disabilities, and the care dependent.

- 1.24 The pilot project will verify the capacity of the system to coordinate the implementation of a multisector strategy and generate lessons learned for use in expanding the model in a subsequent phase. This operation will focus on the first phase: creation of the care component and upgrading of the network of institutions needed to implement it. Supérate's Directorate General (DGPS) will be responsible for central and local coordination of the pilot project and for the inclusion of a mechanism to facilitate women's access to remunerated care opportunities. INAIPI will be responsible for the provision of early childhood care services, CONAPE will provide services for dependent older adults, and CONADIS will have technical responsibility for measuring disability and dependency. INFOTEP will provide care training and certification services, and SIUBEN will handle data and methodologies to support the selection of target populations.
- 1.25 The Care Network pilot will also include an experimental innovation to generate evidence regarding the feasibility of implementing a care payment mechanism. Supérate will make payments to workers trained and certified by INFOTEP in return for care services provided to Supérate households with unmet care needs. These payments, made to certified care assistants in return for their services, will support households' financial recovery, and evaluation will assist in deciding whether to make the payment a permanent component of the program.
- 1.26 Lastly, given the scale of the network, a Care Technical Unit will be created within Supérate's organizational structure to support operation and monitoring of the care component, with trained staff to facilitate coordination with entities involved in care activities. The program also provides for the contracting of a technical audit to periodically verify the work performed by home caregivers. The Care Technical Unit and technical auditors will work in coordination to ensure monitoring and traceability of the funds.
- 1.27 **Relationship with other Bank operations.** This operation is complemented by the technical cooperation operation Support for the Strengthening of Social Protection in the Dominican Republic (ATN/OC-18710-DR), which, among other issues relating to Supérate and SIUBEN operations, has supported diagnostic assessments and studies to produce initial estimates of gaps for the care component and support revision of the ICV. Further complementing it are the

⁵ These municipios were selected and prioritized based on the following criteria: potential care demand (number of households with one or more dependent or disabled members), levels of poverty, Supérate presence, and the existence of an established service network to meet the care demands of selected program beneficiaries.

efforts made by the Bank in the areas of health and education. In health, it is complemented by the following operations: (i) Strengthening Results-Based Management in the Dominican Republic's Health Sector (2972/OC-DR, completed), which helped eliminate gaps in primary care and strengthen hospital-based maternal care; and (ii) the Project to Support the Strengthening of Health Sector Management (3207/OC-DR), which aims, among other things, to improve the quality of services for the most vulnerable populations in the Dominican Republic through a variety of actions, such as results-based financing and the strengthening of public services. In the area of education, this proposal is complemented by the operation Technical Vocational Education and Training Improvement (4692/OC-DR), which seeks to improve the coverage, quality, and relevance of technical and vocational education with a view to developing the skills and employability of young people. This reinforces the aim of education-related CCTs through human capital formation.

- 1.28 **The Bank's experience and lessons learned.** The operation incorporates the following lessons learned from the Bank's experience in the region (document GN-2784-9): (i) CCTs are effective for redistributing resources and supporting household consumption; (ii) it is essential that systems be constantly updated and that they allow the status of household vulnerability to be reviewed; and (iii) as a result of the pandemic, lessons have been learned regarding the relevance, flexibility, and sustainability of social protection systems as a response to shocks.⁶ The following specific lessons learned have also been identified: (i) adjustments in the targeting of CCTs to improve their effectiveness as a means of eliminating poverty (2623/OC-DR, 2733/OC-DR, and 2972/OC-DR); and (ii) the need to determine the level of maturity and the requirements of participating institutions, as well as the status of data exchange and staff training (ATN/OC-16879-RG). These lessons are reflected in Component 1, paragraphs 1.37-1.40.
- 1.29 The operation also draws on recent findings in the field of care, such as: (i) the importance of establishing a Care Technical Unit to coordinate the operations of the care and dependency support system. An interoperable information system is also required to facilitate the identification and prioritization of beneficiaries and record service delivery (3706/OC-UR and ATN/OC-18249-CR); and (ii) it is essential that service coverage be planned on the basis of estimated gaps (ATN/OC-16411-CR). These issues have been incorporated in Component 2, paragraph 1.41.
- 1.30 **Coordination with other multilateral institutions:** In terms of the strengthening of Supérate and SIUBEN, the Inter-American Development Bank has coordinated with the World Bank, primarily in relation to improvements in targeting tools. With respect to care, in order to avoid duplication of support and financing, coordination has been carried out through Supérate's technical roundtables and through the Ministry of the Economy, Planning, and Development (MEPD), with institutions such as the United Nations and the Friedrich-Ebert-Stiftung.
- 1.31 **Strategic alignment.** The program is aligned with the Second Update to the Institutional Strategy (document AB-3190-2) and is strategically aligned with the

⁶ In the context of the emergency, the Bank has approved operations for vulnerable populations in The Bahamas, Belize, Bolivia, Brazil, Ecuador, Guatemala, Guyana, Panama, Suriname, and Uruguay.

development challenge of social inclusion and equality through its actions to reduce extreme poverty. These include the CCTs and the care pilot, which will provide opportunities for the poorest women through care network training and employment. The program is also aligned with the crosscutting areas of: (i) gender equality and diversity, through interventions aimed at empowering the poorest women through employment and training to improve the gender balance, increasing the percentage of men providing care services, and improving care for people with disabilities; (ii) climate change and environmental sustainability, through the inclusion of measures to save power and water in the CAIPIS, CDIs, CCPs, and day care centers; and (iii) institutional capacity and rule of law, through institutional strengthening of the entities that make up the RPS, including reinforcing operating systems for beneficiary registration and follow-up, improvements to home visits, and the equipping, updating, and development of new technology tools that will help to improve the quality, access, and timeliness of services provided to the poorest segments of the population.⁷ In addition, the program will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through its support for poverty reduction and its contribution to increased numbers of beneficiaries of targeted poverty programs, women beneficiaries of economic empowerment initiatives, and agencies with strengthened digital technology and managerial capacity.

- 1.32 This operation is aligned with the institutional strengthening pillar of the IDB Group's country strategy with the Dominican Republic 2017-2020 (document GN-2908) and is consistent with the Social Protection and Poverty Sector Framework Document (GN-2784-9), specifically dimensions of success 3 and 4, which refer to access to care and/or assistance services for the dependent poor and vulnerable population, as well as access to efficient redistributive programs supporting consumption for people living in extreme poverty. The operation is consistent with the Gender and Diversity Sector Framework Document (GN-2800-8) through the dimension of success relating to gender equality and the empowerment of women through training and employment. It is also consistent with the Early Childhood Development Sector Framework Document (GN-2966-2), specifically the line of action relating to the implementation of early childhood development services with quality at scale, as a result of its support for the construction of CAIPIS and CDIs and the review of INAIPI and Supérate's operational strategies, which aims to improve the quality of services. The program is included in the Update of the Annex III of the 2021 Operational Program (document GN-3034-2).
- 1.33 The program contributes to the Dominican Republic's Gender Parity Initiative Action Plan, as well as the Employment Action Framework with Gender Perspective (document GN-3057), a project that supports a model for care delivery and workforce participation on the part of female caregivers. The operation contributes to Vision 2025 by generating quality employment with a gender perspective through the care network.

⁷ The progress made and challenges faced in the area of institutional capacity are referred to in paragraphs 1.16 and 1.17, with proposed interventions covered in paragraphs 1.37 and 1.38. The outcome indicator in this area is the percentage of national households identified and registered in SIUBEN+ and, in general, the output indicators in subcomponents 1.1, 1.2, and 2.1.

- 1.34 Based on the [multilateral development banks' joint methodology](#), the requirement that building infrastructure meet the equivalence requirements for obtaining EDGE certification (Economic Dividends for Gender Equality) means that an estimated 4.65% of IDB funding will be invested in mitigation ([optional link 2](#)). These resources contribute to the IDB's climate finance target (30% of the volume of annual approvals).
- 1.35 **Alignment with national strategies.** The operation is aligned with the second strategic pillar of the country's National Development Strategy 2030, which refers to equal rights and opportunities for the population and promotes reductions in poverty and inequality. This objective is broken down into specific objectives relating to the objectives proposed under this operation: (i) building a culture of equality and equity between men and women; (ii) expanding human and social capital and economic opportunities for the population living in poverty; and (iii) reducing poverty by means of an effective and efficient social protection system [[13](#)].

B. Objectives, components, and cost

- 1.36 **Objective.** The objective of the operation is to improve living conditions for the country's most vulnerable population groups by: (i) improving the response capacity of the social protection network; and (ii) supporting the creation of a new care component in the Supérate program.
- 1.37 **Component 1: Improving the response capacity of the Social Protection Network (US\$83,700,000).** This component seeks to: (i) contribute to consolidation and innovation of the SIUBEN for beneficiary identification; (ii) strengthen Supérate's operating capacity; and (iii) support families through CCTs in health and education.
- 1.38 Subcomponent 1.1: Consolidation and innovation of the SIUBEN (US\$6,000,000). This subcomponent will finance: (i) the updating, upgrading, and purchase of data storage and protection; (ii) design and implementation of a universal social household register with a view to expanding data coverage, including implementation of interoperability; (iii) the development of data mining capabilities and tools; and (iv) the field survey for the fourth socioeconomic household study, which will allow updating of the beneficiary register.
- 1.39 Subcomponent 1.2: Strengthening of Supérate's operating capacity (US\$7,700,000). This subcomponent will finance: (i) the updating of operating systems for registering and monitoring beneficiaries; (ii) digitalization, georeferencing, and innovation in the management of home visits; (iii) incentives for voluntary family liaisons responsible for home visits, the monthly incentive, the amount and details of which are described in the program Operating Regulations, will be paid upon verification of the home visits, as set out in the program Operating Regulations; (iv) creation of an exit strategy for households that have overcome poverty; (v) design and implementation of a Supérate communication strategy; (vi) equipping and updating of the Supérate data center to improve data storage and protection and develop new technology tools; and (vii) training of the team in the different crosscutting areas in the program.
- 1.40 Subcomponent 1.3: Support for families through CCTs (US\$70,000,000). This will finance the Avanza, Adelante, and Aliméntate CCTs ([optional link 4](#)), which are focused on supporting human capital accumulation in education and health for

Supérate ICV I and II households. The amount of each transfer and the conditions to be met will be set out in the Operating Manual for the Supérate program.

- 1.41 **Component 2: Creating and managing a care network (US\$13,740,000).** This will support the gradual creation of a care network as part of the social protection system.
- 1.42 Subcomponent 2.1: Strengthening of care services (US\$7,500,000). This subcomponent will finance: (i) strengthening of existing services and operational strategies of Supérate, INAIPI, CONAPE, and CONADIS; (ii) the purchase of assistive devices⁸ for the population with disabilities belonging to Supérate beneficiary households; and (iii) the expansion, construction, and equipping of care [infrastructure](#) based on sustainability and efficiency criteria equivalent to EDGE certification standards. This will include five CAIPs, five CDIs, and two day care centers serving older adults. Construction of a CCP is also planned to facilitate the training of potential caregivers ([optional link 2](#)).
- 1.43 Subcomponent 2.2: Care network pilot (US\$6,240,000), which will meet the needs of the dependent population and their caregivers and create opportunities for Supérate beneficiaries to participate in the care sector workforce. Although the majority of positions may be for female beneficiaries, gender balance will be promoted, increasing the percentage of men engaged in care work. This subcomponent will finance: (i) piloting of the disability assessment and certification system and the care dependency scale; (ii) design and implementation of the caregivers' network and training arrangements, including design and piloting of the payment mechanism for home care and/or assistance services; (iii) design and implementation of the care network information system; (iv) evaluation of the pilot project; and (v) operation of the Care Technical Unit for coordination and implementation of the pilot project.
- 1.44 Program administration, audits, monitoring, and evaluation (US\$2,560,000). Financing will be provided for consulting assignments to form an executing unit for the duration of program execution and for the operating expenses of the unit. The project audit and regular audits of payments for CCTs and care services provided through the caregivers' network will also be financed, along with a midterm program evaluation.
- 1.45 **Beneficiaries.** In general, the proposed interventions will benefit all Supérate beneficiary households (estimated at 1,350,000) through improved targeting and a strengthened program. More specifically, the CCTs are expected to support consumption levels in around 167,000 ICV I and II households, while about 4,018 households are expected to benefit from the care network in the priority municipalities.
- 1.46 **Expected outcomes.** The expected impact is an increase in the female employment rate in ICV I and II households with individuals receiving care services due to some form of dependency. The first expected outcome is an improvement in the RPS's response capacity to provide support to vulnerable households through CCTs, as verified through the following indicators: (i) the percentage of households countrywide that have been identified and registered in SIUBEN+; and

⁸ Assistive devices include wheelchairs, crutches, walking canes and frames, toilet and bathing chairs, dressing sticks, long-handled brushes, etc.

(ii) the number of households receiving CCTs. The second expected outcome is the creation of the new care component, as verified through the following indicators: (i) the coverage of care services in the priority municipios among Supérate households with at least one dependent member or child below five years of age; and (ii) the number of people certified as caregivers who generate income in their role as caregiver.

- 1.47 **Economic analysis.** Using a discount rate of 3%, the program yields a benefit-cost ratio of 1.27 and a positive net benefit of US\$33,841,315. The internal rate of return is 10.14%. The economic analysis incorporates all program costs and four benefits: (i) the multiplier effect of Supérate CCTs, which will support consumption levels on the part of the vulnerable population (the net benefit is robust to different assumptions regarding the effectiveness of the fiscal multiplier); (ii) the effect of CCTs on the future earnings of school-age beneficiaries due to human capital accumulation; (iii) the effect of early childhood education on the future earnings of beneficiaries due to human capital accumulation; and (iv) the effect of care and/or assistance services on the earnings of family caregivers from beneficiary households. The net benefit value is conservative, as it omits the impact of care and/or assistance services on the well-being of dependents and their caregivers due to the lack of financial estimates of these benefits in the literature. Total net benefit is not very sensitive to the application of different discount rates, as the multiplier effects of CCTs, which constitute most of the benefits, will materialize during the five-year execution period.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 Given the scope that has been determined, this operation will be a specific investment loan in the amount of US\$100 million, financed with resources from the Bank's Ordinary Capital. The specific investment instrument is considered appropriate as this is an operation of fully defined scope, with components that cannot be divided without affecting their coherence. The execution and disbursement periods will be five years.

Table 2.1. Estimated program costs (US\$000)

Components	IDB	%
Component 1. Improving the response capacity of the Social Protection Network	83,700	84
Subcomponent 1.1. Consolidation and innovation of the SIUBEN	6,000	6
Subcomponent 1.2. Strengthening of Supérate's operating capacity	7,700	8
Subcomponent 1.3. Support for families through CCTs	70,000	70
Component 2. Creating and managing a care network	13,740	14
Subcomponent 2.1. Strengthening of care services	7,500	8
Subcomponent 2.2. Care network pilot	6,240	6
Project administration, audits, monitoring, and evaluation	2,560	3
Total	100,000	

Table 2.2 Disbursement schedule (US\$000)

Source	Year 1		Year 2		Year 3		Year 4		Year 5	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
IDB	42,105	42	42,693	43	7,197	7	7,342	7	661	1

B. Environmental and social risks

- 2.2 Following the guidelines set out in the Environment and Safeguards Compliance Policy (OP-703) and in accordance with the Environmental and Social Analysis, the program has been classified as a category “B” operation, taking into account that program activities consist in seven new construction projects (CCPs, CAIPs, and daycare centers) and six projects to expand and rehabilitate existing infrastructure (CAIPs, CDIs, and daycare centers), which will be carried out on lands owned or leased by the government, such that any negative environmental or social impacts will thus be largely moderate, localized, and temporary. The construction and rehabilitation works will not include any expropriation, resettlement, and/or purchase of sections of land and/or entire buildings.
- 2.3 The following impacts were identified for the construction period: (i) traffic disruptions and localized restrictions on pedestrian and vehicle access and mobility; (ii) generation of construction waste and debris; (iii) interruptions to public services; and (iv) workforce and community health and safety risks.
- 2.4 As this is a specific works program, an [Environmental and Social Analysis and an Environmental and Social Management Plan](#) were prepared and have been published on the Bank's website. The ESMP includes guidelines for the preparation of a virtual consultation plan, consistent with the [IDB Guidelines on Consultation and Stakeholder Engagement](#) and Guidelines for Planning Consultations. From 14 to 18 October, hybrid public consultations (in-person and virtual) were carried out for each of the works under the program in the eight regions targeted (Corbano Norte, Los Mina, Sabana Perdida, Villa Mella, Samaná, Higüey, Monte Plata, and La Cúaba). Virtual participation was facilitated through the use of various platforms (Google Meet, Zoom), while in-person participation followed the precautions established for COVID-19, including social distancing and the use of masks. Some 325 people participated in the consultations: 207 women and 118 men. Questions concerned the start date for the works, potential beneficiaries, and the next steps for program approval. No comments were received regarding the mitigation of potential environmental and social impacts.
- 2.5 Natural disaster risk (Type 1) is considered moderate on account of the program area's exposure to earthquakes and hurricanes, as well as the types of structures proposed. At the same time, the program is not expected to exacerbate natural disaster risks, and it has therefore been allocated a low Type 2 risk level. To manage this risk, in the case of works in coastal locations and vulnerable areas such as Azua, Samaná, and Santo Domingo, the program will include resilience studies covering natural disasters, floods, and other relevant physical threats related to climate change. These studies will be incorporated into design of the centers and implementation of any action plan for their operation.
- 2.6 With regard to the intrinsic characteristics of the buildings in terms of safety, accessibility, and climate change resilience, technical support will be provided

through the IDB's social infrastructure specialists to ensure that these issues are included in a timely manner during the design stage.

C. Fiduciary risks

- 2.7 The level of fiduciary risk associated with program execution is considered to be medium-high. Although the executing agency and the Directorate General of the Supérate Program participated in the technical execution of several programs (2623/OC-DR, 2733/OC-DR, and 2972/OC-DR) through the earlier structure created for PROSOLI, neither has prior experience in the fiduciary management of Bank-financed projects. Creation of a program execution unit is proposed to strengthen the capacity of the executing agency. To mitigate fiduciary risk, the following measures are recommended, among others: (i) the consistent and appropriate use of planning tools; and (ii) contracting of a procurement specialist and the appointment or contracting of a financial specialist with experience in project management. These specialists have been included as part of the team that should join the program execution unit, as a condition precedent to the first disbursement. Additionally, the Bank will conduct supervision visits during program execution with a view to verifying the recommended activities and compliance with fiduciary arrangements.

D. Other key issues and risks

- 2.8 **Other risks.** The following public management and governance risks have been identified: (i) in the event of delays in securing congressional approval for the program, there is a high risk that the first loan disbursement would be postponed, in turn delaying the start of program execution and affecting the projected execution rate in the first year of the project. This risk will be mitigated through advance meetings and presentations by the executing agency to Congress regarding the operation, with the Bank's support; and (ii) there is a medium-high risk that a failure to sign the framework agreement creating the interagency roundtable on care will lead to a lack of clarity regarding the remits and responsibilities of each institution, leading to a lack of coordination and delays in executing the care pilot project. This risk will be mitigated by including signing of the agreement as a condition precedent to the first disbursement, while meetings will also be held with the different institutions.
- 2.9 The following development-related risks are observed: (i) in the event of a failure to obtain full title to the lands by the beginning of the second year, there is a high risk that the procurement process for the works will be delayed, preventing construction of the works during the program execution period. This risk will be mitigated through the hiring of consultants to facilitate curing of the land titles. Medium-high risks: (i) if the required staff are not hired in a timely manner, technical and management processes will be affected and the operating plan for the first year will not be implemented as scheduled. This risk will be mitigated through detailed planning, allowing terms of reference, contracts, and payments to proceed in a timely manner; and (ii) if, despite the country's efforts in terms of vaccination, also supported by the Bank, the curve of COVID-19 transmission does not flatten as projected and another outbreak occurs, the execution calendar for activities requiring field visits and social outreach will be affected and execution periods for data gathering, social and family support, and care provision will not be

met. This risk will be mitigated through the application of safety protocols for those responsible for in-person activities, as established by the Ministry of Health.

- 2.10 With respect to environmental and social sustainability, there is a medium-high risk that if an environmental and social specialist with knowledge of IDB policies and experience in these areas is not appointed within the first six months of program execution, delays in works and in implementation of the ESMP will ensue, in turn causing delays in the programming of Component 2 from the first year. This risk will be mitigated by including the hiring of these specialists as a condition precedent to the first disbursement.
- 2.11 **Institutional capacity assessment.** An analysis of the executing agency's institutional capacity indicates that although the staff transferred from PROSOLI to Supérate have participated in the technical execution of Bank-financed loan operations, Supérate's organizational structure needs to be strengthened through the creation of a program execution unit, with the appointment or contracting of a coordinator and a financial specialist and with the contracting of environmental, social, and procurement specialists, as well as training and support to expedite fiduciary processes and improve the use of planning tools (issues covered in paragraphs 2.7 and 2.10). With respect to strengths, the Supérate program has the tools that it needs in order to monitor human resources and fiduciary performance.
- 2.12 **Sustainability.** The budget for CCTs in the Dominican Republic is equivalent to 0.4% of GDP, which is in line with the average for countries in the region. The proposed strengthening interventions for SIUBEN and Supérate will help improve the targeting of these resources, contributing to their long-term sustainability and improving their impact on poverty and extreme poverty. In terms of the program, the total value of CCTs to be financed represents 19% of the annual budget for CCTs and subsidies, with the remainder funded through the national budget. With respect to the sustainability of interventions under the care pilot project, although several of the tools will be refined in the course of that project, implementation and the impact evaluation will also generate evidence that will facilitate decision-making regarding long-term scalability of the approach. In addition, development of the system will be supported through studies of sustainable financing mechanisms involving fiscal contributions, social insurance, and copayments on the part of medium- and high-income users, and of selection and eligibility criteria for the home care and/or assistance subsidy⁹ for the poorest (ICV I and II) households targeted under the pilot. With respect to works and equipment, Supérate, through its maintenance unit, will be responsible for maintaining the investments.

⁹ This support will be financed using nonreimbursable technical cooperation resources.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Execution and administration.** The Dominican Republic, as borrower, will be responsible for program execution through the Directorate General of the Supérate Program (DGPS), which will be the executing agency. The organizational structure will be set out in the Supérate program Operating Manual. The DGPS will be strengthened through the hiring of consultants to support program execution; these will form a program execution unit attached to the Department of Innovation and International Cooperation (DICI) of the Supérate program. With the exception of CCT payments, for which the ADESS will be responsible, the program execution unit will be responsible for procurement, contracting, and payment processes at the DICI's request. Each month, and once it has made the necessary verifications, Supérate will request that the ADESS issue payments to eligible beneficiaries who have fulfilled their co-responsibilities. The program execution unit will be responsible for program planning, coordination, management (technical, administrative, and financial), execution, monitoring, and completion, including coordination with other departments on the activities that require it and with SIUBEN, INAIPI, CONAPE, CONADIS, and INFOTEP. No loan proceeds will be transferred to these institutions. The DGPS, acting through the program execution unit, will work with each institution to identify the bidding documents, acceptance of works/goods, and other actions that ensure that goods and works are procured and built properly, as well as on the processes for the activities in which these institutions are involved. As indicated in paragraph 1.26, the execution of Component 2 will be supported by a Care Technical Unit.
- 3.2 The program execution unit will prepare and submit to the Bank multiyear execution plans (and/or [annual work plans](#)), procurement plans, semiannual progress reports, financial plans, and other instruments required by the Bank to supervise program execution. Project audits will be contracted and subsequently submitted by Supérate to the Bank. The program execution unit's responsibilities, the responsibilities of other participating entities, and the coordination mechanisms will be described in the program Operating Regulations.
- 3.3 **Interagency coordination.** To support development of the care network, the government has proposed the creation of an interagency roundtable with the participation of the DGPS, CONAPE, CONADIS, INAIPI, INFOTEP, SIUBEN, and the MEPD. This roundtable will be formalized through a framework agreement that will be signed by participating institutions and will specify their roles and responsibilities. It will be responsible for policy decisions relating to the care network. The execution of Component 2 will be carried out by the program execution unit and the Care Technical Unit, with the latter responsible for supporting monitoring and coordination of the component. The Ministry of Finance will supervise overall execution of the program, and the MEPD will support supervision of the component relating to the care network. To that end, the Ministry of Finance and the MEPD will be included in the supervision missions and will receive copies of the semiannual reports submitted to the Bank.

- 3.4 **Conditions precedent to the first disbursement of the loan:** (i) creation by the executing agency of a program execution unit with the appointment or contracting of, at minimum: a technical coordinator and a financial specialist; and the contracting of, at minimum: an environmental specialist, a social specialist, and a procurement specialist; (ii) presentation to the Bank of the Supérate program Operating Manual, as updated and in effect; (iii) approval of the program Operating Regulations in accordance with the terms previously agreed upon with the Bank. These conditions are justified as they are aimed at facilitating and ensuring proper execution of the operation, and disbursements of loan proceeds could not therefore occur without them.
- 3.5 **Special contractual conditions relating to execution:** (i) prior to the delivery of each of the construction works planned under Component 2, a certificate of acceptance will be signed by the institution that will be responsible for its operation and maintenance; (ii) prior to the disbursement of resources allocated to Component 2, a framework agreement will be signed creating the interagency roundtable on care and specifying the remits and responsibilities of each institution during execution of the care pilot project. In addition, the borrower will fulfill the special contractual conditions relating to execution stipulated in Annex B to the [Environmental and Social Management Report](#). These conditions are required to make progress in the execution of Component 2.
- 3.6 **Procurement.** Policies for the Procurement of Goods and Works Financed by the IDB (document GN-2349-15) and Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15) will apply. Annex III describes the general management framework for procurement. The Bank will supervise procurement processes as established in the procurement plan ([required link 4](#)).
- 3.7 **Regular audits.** As stated in paragraph 1.15, regular operational audits will be performed, and these will be contracted by the executing agency through the program execution unit using loan proceeds. During the bimonthly verification process for beneficiary household care co-responsibilities, the operational audits will verify the degree of compliance with the criteria, rules, and time frames established in the Supérate Operating Manual. Audits will be performed by an external firm specialized in operational audits, and will be carried out for the duration of the CCT subcomponent.
- 3.8 **Financing of liaison incentives and care payments.** Payments will be made through a monthly pay slip that will include the details of the liaisons receiving the incentives or caregivers receiving the payments, as well as supporting documentation to allow verification of their positions and the work carried out. In the case of caregivers, in addition to the work of the Care Technical Unit, an audit contract is planned as part of external controls to ensure traceability of the resources. This audit contract will periodically verify the services delivered and payments made.
- B. Summary of arrangements for monitoring results**
- 3.9 **Monitoring.** In addition to the annual work plans ([required link 1](#)) and procurement plans, the program execution unit will submit semiannual progress reports within 60 days of the end of each six-month period (monitoring and Evaluation Plan

[required link 2](#)). Once 80% of loan proceeds have been disbursed, the borrower will commission a midterm review to evaluate progress in program execution and will submit an evaluation report to the Bank within 30 days following its completion. To facilitate this review, the program execution unit will keep all relevant administrative information available.

- 3.10 **Evaluation.** An evaluation will be performed of the impact of care and/or assistance services on the supply of labor by beneficiary households. This will use SIUBEN administrative data (employment information), and a quasi-experimental methodology will be applied. SIUBEN data for 2018 will be used for the baseline and to identify municipios with comparable characteristics (in terms of vulnerability, employment, dependency, etc.) to those of the municipios where the pilot project to provide dependent care and/or assistance services will be implemented. The data gathered once service delivery has been finalized will be used to measure the level of employment post-treatment, using a double-difference methodology. Impact will be estimated using a gender-based approach, with different coefficients for men and women. In addition to this impact evaluation, a simple difference (before and after) evaluation will be carried out to measure levels of stress and life satisfaction among members of households receiving the service, based on questionnaires provided before and after service delivery.

Development Effectiveness Matrix		
Summary		DR-L1152
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries of targeted anti-poverty programs (#) -Women beneficiaries of economic empowerment initiatives (#) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2908	Strengthening of public management.
Country Program Results Matrix	GN-3034-2	The intervention is 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		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
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		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		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, 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	Yes	CRITERIA to identify the potential beneficiaries of care services in Superate.

Evaluability Assessment Note: The objective of the operation is to contribute to improving the living conditions of the most vulnerable population in the Dominican Republic through: (i) improving the response capacity of the social protection network; and (ii) support for the creation of the new Supérate care component. For this it has two components. About 70% of the operation's resources are destined to deliver conditional cash transfers.

To achieve the general objective, the project has two components; one to improve the response capacity of the Social Protection Network (US\$83,700,000) and another dedicated to the creation and management of a care network (US\$13,740,000).

The program is designed to benefit 1,350,000 participants through better targeting and a strengthened program; to 167,000 households through conditional transfers and to about 4,018 households through the care network in the prioritized municipalities.

The vertical logic is consistent with the policy conditions and the indicators presented in the results matrix. The results matrix includes indicators for the main products, results and impacts, which meet the SMART criteria.

To establish the attribution of the observed results to the program intervention, the evaluation plan proposes a difference-in-differences analysis. This method assumes that the temporal trajectories between the treated and a control group are "parallel" in the absence of treatment, which is reasonable to be true in the context of this program.

The project also implements a cost-benefit analysis exercise, which yields an IRR of 10.14% and a benefit-cost ratio of 1.27 in the baseline scenario, which is suggestive of the economic viability of the project.

RESULTS MATRIX

Project objective:	The objective of the operation is to improve living conditions for the country's most vulnerable population groups by: (i) improving the response capacity of the social protection network; and (ii) supporting the creation of a new care component in the Supérate program.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year of achievement	Target	Means of verification	Comments
General development objective: To improve living conditions for the country's most vulnerable population groups							
Female employment rate in ICV I and ICV II households with individuals who receive care services due to some form of dependency	%	2021	18%	2026	20%	SIUBEN+ database	<p>Numerator: Number of women with remunerated employment who live in households with ICV I and II dependency and receive care services.</p> <p>Denominator: Number of women of working age who live in households with ICV I and II dependency and receive care services.</p> <p>Source: MEPD, ENCFT, SIUBEN data.</p>

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
Specific development objective 1: Improving the response capacity of the Social Protection Network											
Households countrywide identified and registered in SIUBEN+	Percentage of households	62.7	2021	0	0	0	0	0	85.4	SIUBEN+ database	Estimates of the number of households are produced every five years by the ONE. To estimate the number of households in 2021, linear interpolation was applied to the estimated figures for 2020 and 2025, yielding a figure of 3,351,665 households nationally. The same exercise will be used to calculate the final value of this indicator, while the numerator will reflect the number of households for which information is available in SIUBEN+.
Number of households receiving CCTs	Number of households	804,502	2020 (March)	0	0	0	0	0	1,350,000	SIPS – planning database.	Monitoring of this indicator will be disaggregated by gender.
Specific development objective 2: Supporting the creation of a new care component in the Supérate program											
Coverage of care services among Supérate households in the priority municipios that have at least one dependent member or child below five years of age.	% of households	0	2021	0	0	0	0	0	10%	Care Information System report	<p>Numerator: Number of households (priority municipios) that have at least one dependent member and/or child below five years of age and are care service beneficiaries</p> <p>Denominator: Number of households in priority municipios that have at least one dependent member and/or child below five years of age</p> <p>Monitoring disaggregated by service location: home or institution</p>

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
Individuals certified as caregivers who generate income in their role as caregivers	% of individuals	0	2021	0	0	0	0	0	35%	Care Information System report	<p>Numerator: Individuals generating income from caregiving</p> <p>Denominator: Individuals certified as caregivers</p> <p>Monitoring disaggregated by gender and type of employment: Supérate households, other households, and institutions.</p>

OUTPUTS

[illegible]

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
Exit strategy developed for households that have overcome poverty	# of documents			1	1	1	1	1	5	Document regarding development of the strategy. Reports by consultant for Component 1	
Supérate communication strategy designed and implemented	# of documents			0	0	1	0	0	1	Report on the communication strategy and its implementation	
Number of regional Supérate departments with equipment to improve data storage and protection.	# of departments			1	2	0	0	0	3	Report describing the goods purchased and installed in the technology and planning departments and the executing unit	
Number of annual Supérate team training plans implemented	# of plans	0	2021	0	2	2	2	2	8	Report on the annual training plans	
Subcomponent 1.3: Support for families through CCTs											
Annual number of people receiving CCTs from Supérate	# of people	0	2022	5,366,400	4,024,800	0	0	0	0		
Component 2: Creating and managing a care network											
Subcomponent 2.1: Strengthening of care services											
Number of strategies formulated and revised for operational strengthening of the care components of Supérate, INAIPI, CONAPE, and CONADIS	# of strategies	0	2021	0	3	1	0	0	4	Documents describing revisions to Supérate, INAIPI, CONAPE, and CONADIS	
Number of care establishments expanded, built, and equipped to standards equivalent to EDGE certification.	# of establishments	0	2021	0	0	4	6	3	13	Documentation of the formal transfer of works and equipment and acceptance thereof by the receiving institution.	EDGE standards involve measures to achieve minimum savings of 20% in energy, water, and embodied energy in materials.

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
Number of Supérate participants with disabilities who receive assistive devices	# of participants	0	2021	0	0	1,500	1,000	0	2,500	SIPS, data generated by Supérate and CONADIS	
Subcomponent 2.2: Care network pilot											
Number of Supérate participants assessed and certified by the disability system in pilot municipios	# of participants	2021	0	50	250	500	500	0	1,300	Care system report. Indicator will be disaggregated by gender	
Number of Supérate participants measured using the dependency scale				0	16,634	0	0	0	16,634	SIUBEN+ database. Indicator will be disaggregated by gender	
Number of Supérate participants trained and certified as caregivers				50	500	500	441	0	1,491	Care system report. Indicator will be disaggregated by gender	
Number of individual Supérate participants receiving payments for home care services	# of participants	2021	0	55	500	500	1,005	1,005	1,005	Care system report. Indicator will be disaggregated by gender	
Number of care network information system modules designed and implemented	# of modules			1	1	1	1	1	5	Reports generated by the module created	
Evaluation of the care network completed	# of documents			0	0	1	0	0	1	Evaluation document	
Number of staff in the technical unit created to coordinate and implement the care network	# of people			4	4	4	4	4	4	Supérate document confirming the creation of the Care Technical Unit.	

Country: Dominican Republic

Division: SPH

Project number: DR-L1152

Year: 2021

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Directorate General, Supérate Program

Name of operation: Support for Consolidation of an Inclusive Social Protection System in the Dominican Republic

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

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

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information systems	<input type="checkbox"/> National competitive bidding
<input checked="" type="checkbox"/> Treasury	<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

3. Fiduciary capacity

Fiduciary capacity of the executing agency	<p>Based on the results of a fiduciary assessment carried out in September 2021 using the Institutional Capacity Assessment Platform (ICAP), the fiduciary risk associated with program execution is considered to be medium-high. The Directorate General of the Supérate Program lacks prior experience in the fiduciary management of Bank-financed projects; however, through its staff transferred from PROSOLI, it has participated in the technical execution of several programs (2623/OC-DR, 2733/OC-DR, and 2972/OC-DR). The executing agency's staff is currently limited. To improve the capacity of the program execution unit and mitigate fiduciary risks, detailed recommendations have been included in Section 4 of this Annex. Additionally, the Bank will conduct supervision visits during program execution with a view to monitoring implementation of the recommended activities and fiduciary arrangements.</p> <p>With regard to the country's public financial management systems, its results evaluations (August 2017 and October 2019) show that the average degree of development of the system is medium and that the use of country systems does not represent a significant risk to the execution of IDB-financed projects. According to the updated assessment of the public procurement system (February 2016) using the methodology of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, development of this system is medium with some opportunities for improvement in the areas of sanction and control mechanisms.</p>
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4. Fiduciary risks and risk response

Area (Financial Management/Procurement)	Risk	Risk Level	Risk Response
Financial management and procurement	Potential limitations in the management of project bidding and financial management processes due to limited experience with Bank fiduciary policies and the limited availability of staff assigned full time to the project.	Medium-high	The director and financial specialist of the Department of Innovation and International Cooperation (DICI) have experience of the fiduciary aspects of Bank-financed projects and will be included in the execution unit. In addition, there are plans to hire a procurement specialist and appoint or hire a financial specialist with experience of managing projects financed by the IDB or other multilateral institutions.

5. Policies and guidelines applicable to the operation:

Financial management: Financial Management Guidelines for IDB-financed Projects (document OP-273-12); Disbursement Instructions; Instructions for Financial Reporting and Management of External Audit and Procurement: Policies for the Procurement of Goods and Works Financed by the IDB (document GN-2349-15); Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15).

6. Exceptions to policies and guidelines: Description

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

Exchange rate applicable to the documentation of expenditures in the borrower's local currency: Option (b)(ii) of Article 4.10 of the General Conditions of the loan contract: the rate of exchange in effect on the date of payment of each expenditure in local currency in the country of the borrower.
Type of audit: - Annually, audited project financial statements within 120 days after the end of each fiscal period. At the close of the project, final project financial statements within 120 days after the date of the last disbursement.
Other reports: Within 60 days after the end of the first half of each fiscal period, an unaudited financial execution report for that period.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	The procurement of works, goods, and nonconsulting services subject to international competitive bidding under the Bank's procurement policies (document GN-2349-9) will be carried out using either the Standard Bidding Documents issued by the Bank or, in the case of limited bidding, the bidding documents agreed between the executing agency and the Bank. The selection and contracting of consulting services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants (document GN-2350-15) and will use either the Bank's Standard Request for Proposals or, in the case of limited bidding, the request for proposals agreed between the executing agency and the Bank. The review of technical specifications and terms of reference for contracts during preparation of the selection processes is the responsibility of the project sector specialist. This technical review may be carried out ex ante and independently of the method of procurement review.						
<input checked="" type="checkbox"/>	Recurrent expenditures:	Recurrent expenditures required to execute the project, as approved by the Project Team Leader, will be financed in accordance with the executing agency's administrative procedures. The latter will be reviewed and accepted by the Bank as long as they are consistent with principles of competition, efficiency, and economy. At the borrower's request, the monthly incentives paid to voluntary liaisons carrying out home social and educational support sessions will be financed as part of these expenditures.						
<input checked="" type="checkbox"/>	Procurement supervision	<p>The supervision method will be either ex ante or ex post depending on the fiduciary risk identified for the project and specific process. Ex post reviews will be carried out in accordance with the annual supervision plan. The ex post review reports will include at least one on-site visit to inspect procurement processes subject to ex post review. (The inspections will verify the existence of the items procured, leaving verification of quality and compliance with specifications to the sector specialist.) Ex post review thresholds are as follows:</p> <table border="1"> <tr> <th>Works</th><th>Goods and services</th><th>Consulting Services</th></tr> <tr> <td>N/A</td><td>N/A</td><td>Firms N/A Individual US\$50,000</td></tr> </table>	Works	Goods and services	Consulting Services	N/A	N/A	Firms N/A Individual US\$50,000
Works	Goods and services	Consulting Services						
N/A	N/A	Firms N/A Individual US\$50,000						
<input checked="" type="checkbox"/>	Records and files	The executing agency will be responsible for keeping files and supporting documentation for procurement processes financed with project resources, along with their respective payment vouchers, and for carrying out these processes in accordance with the established procedures.						

Main procurement items

Item description	Selection method	Estimated date	Estimated amount (US\$)
Goods			
Procurement of equipment for the program data center	ICB	March 2023	1,500,000
Procurement of equipment for the implementation and georeferencing of support	ICB	June 2023	1,600,000
Procurement of equipment for SIUBEN	ICB	December 2023	2,270,849
Works			
Construction of the care establishment - Phase II	ICB	March 2025	2,854,012
Nonconsulting services			
Implementation of the communication plan under the Supérate program communication strategy	ICB	March 2024	500,000
Individual consultants			
Selection of data-gathering staff (1,265)	3 CVs (by short process given the number of people to be hired)	February 2023	1,196,147

Procurement plan (required link 4).

Procedures	Documentation of use of resources
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Other Relevant Information for the Operation (BI)

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	Programming and budget	The annual budget is prepared by the Ministry of Finance through its Budget Department, in coordination with the Ministry of the Economy, Planning, and Development and other government agencies linked to the process. The executing agency, through the program execution unit, will be responsible for project planning and management of the project budget. Planning tools will be used, including those of the Bank (project execution plan, annual work plan, procurement plan, and financial plan).
<input checked="" type="checkbox"/>	Treasury and disbursement management	<ul style="list-style-type: none"> • Project cash flow projections will be consistent with annual work plans and procurement plans that have received the Bank's no objection, and they will cover a period of at least 12 months. • The project will use a special U.S. dollar bank account in the name of the project at the Central Bank, managed through a subaccount in the National Treasury Single Account. • Program transactions will be denominated in U.S. dollars. • The exchange rate used in the operation will be the rate of exchange in effect on the date of payment of each expenditure in local currency. • The main disbursement modality to be used for the program will be advances of funds, supported by a financial program covering up to six months. Vouchers will be provided for 80% of the cumulative balance pending documentation.

<input checked="" type="checkbox"/>	Accounting, information system, and reporting	<p>Accounting will follow International Public Sector Accounting Standards. Program accounts will be maintained on a cash basis using the module for execution units for externally-financed projects (UEPEX) in the country's Integrated Financial Management System (SIGEF) as the technology platform. All key project financial reports, including disbursement requests, will be directly generated using this system.</p> <p>The Program Operating Regulations will supplement the policies and guidelines applicable to the operation, providing documentation of work flows, procedures, and internal controls.</p>
<input checked="" type="checkbox"/>	Internal control and audit	<p>The Office of the Comptroller General of the Dominican Republic is responsible for the internal government audit function and is supported in this task by internal audit units in each of the country's public administrative entities.</p>
<input checked="" type="checkbox"/>	External control and financial reports	<p>The borrower and/or executing agency will select and contract external audit services in accordance with the terms of reference previously agreed upon between the executing agency and the Bank. These will stipulate the type, timing, and scope of the audit review. Both the external auditor selected and the accounting standards used must be acceptable to the Bank. Given the nature and risks of the operation, audited program financial statements will be required, audited preferably by a firm with plus-level eligibility. The type of audit and required level of auditor eligibility may be adjusted over the course of the project depending on the results of Bank supervision.</p> <p>Audited financial statements required under the program are as follows:</p> <ul style="list-style-type: none"> - Annually: Presentation to the Bank within 120 days after the end of each fiscal period (31 December). - At the close of the project: Presentation to the Bank within 120 days after the date of the last disbursement.
<input checked="" type="checkbox"/>	Financial supervision of the operation	<p>The financial specialist will be responsible for ensuring that regular reviews are carried out (at least one per year), subject to adjustment during execution. Supervision will consist of monitoring the implementation of the activities recommended to improve 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 carried out by means of annual financial audits.</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Dominican Republic. Loan ____/OC-DR to the Dominican Republic
Support for Consolidation of an Inclusive Social Protection
System in the Dominican Republic

The Board of Executive Directors

RESOLVES:

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 contract or contracts as may be necessary with the Dominican Republic, as borrower, for the purpose of granting it a financing to cooperate in the execution of the program "Support for Consolidation of an Inclusive Social Protection System in the Dominican Republic". Such financing will be for the amount of up to US\$100,000,000 from the resources of the Bank's Ordinary Capital and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2021)