

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

DOMINICAN REPUBLIC

SUSTAINABLE COASTAL MANAGEMENT PROJECT

(DR-L1154)

LOAN PROPOSAL

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<p>REQUIRED:</p> <ol style="list-style-type: none"> 1. Multiyear execution plan / Annual work plan 2. Monitoring and evaluation plan 3. Environmental and social review summary 4. Procurement plan <p>OPTIONAL:</p> <ol style="list-style-type: none"> 1. Economic analysis 2. Bibliography 3. Assessment of the legal and institutional framework for integrated coastal zone management (ICZM) 4. Analysis of the environmental management of beaches and action plans for a sample of 25 beaches 5. Hybrid restoration of coral reefs 6. Component II activities and ICZM planning methodology 7. Gender and diversity analysis 8. Climate change report and alignment with the Paris Agreement 9. Draft project Operating Regulations 10. Basic coastal erosion concepts

ABBREVIATIONS

CGRD	Contraloría General de la República Dominicana [Office of the Comptroller General of the Dominican Republic]
CRF	Corporate Results Framework
ESA	Environmental and social assessment
ESAP	Environmental and social action plan
ESIA	Environmental and social impact assessment
ESMF	Environmental and social management framework
ESMP	Environmental and social management plan
ESMS	Environmental and social management system
ESPF	Environmental and social policy framework
ESRR	Environmental and social risk rating
ESRS	Environmental and social review summary
ICAP	Institutional capacity assessment platform
ICB	International competitive bidding
ICZM	Integrated coastal zone management
IPSAS	International public sector accounting standards
MEPYD	Ministry of Economy, Planning, and Development
MITUR	Ministry of Tourism
MMARN	Ministry of Environment and Natural Resources
MOPC	Ministry of Public Works and Communications
NBS	Nature-based solutions
NCB	National competitive bidding
NDC	Nationally determined contribution
ONE	Oficina Nacional de Estadísticas [National Statistics Office]
PCU	Project coordination unit
QCBS	Quality- and cost-based selection
RND	Rural Development and Natural Disasters Division
SIGEF	Sistema Integrado de Gestión Financiera [Integrated Financial Management System]
UEPEX	Unidades Ejecutoras de Proyectos con Financiamiento Externo [Execution Units of Projects with External Financing]
VCM	Office of the Vice Minister of Coastal and Marine Resources

PROJECT SUMMARY

DOMINICAN REPUBLIC

SUSTAINABLE COASTAL MANAGEMENT PROJECT

(DR-L1154)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Dominican Republic			Amortization period:	25 years
Executing agency:			Disbursement period:	5 years
Ministry of Tourism (MITUR)			Grace period:	6 years ^(b)
Source	Amount (US\$)	%	Interest rate:	SOFR-based
IDB (Ordinary Capital):	US\$70 million	100%	Credit fee:	(c)
			Inspection and supervision fee:	(c)
Total:	US\$70 million	100%	Weighted average life:	15.14 years
			Currency of approval:	U.S. dollar
Project at a Glance				
Project objective/description: The general objective of the operation is to contribute to the sustainability of tourist coastal zones, taking climate risk into account. The specific objectives are: (i) to restore and preserve priority coastal zones used for tourism; and (ii) to strengthen the legal and institutional framework and build capacity for integrated coastal zone management.				
Special contractual conditions precedent to the first disbursement of the financing: (i) an interagency agreement has been signed and entered into force between MITUR and the Ministry of Environment and Natural Resources (MMARN) (paragraph 3.6); (ii) the Project Technical Committee has been formed with representatives of both MITUR and MMARN (paragraph 3.3); (iii) a project coordination unit (PCU) has been formed, and the PCU key staff have been appointed and/or contracted via a competitive process (paragraph 3.4), in accordance with the terms of reference previously agreed upon with the Bank (paragraph 3.6); and (iv) the project Operating Regulations (optional link 9) have been approved, in accordance with the terms and conditions previously agreed upon with the Bank, including, among other elements, the environmental and social requirements in the environmental and social action plan (ESAP), and incorporating, as annexes, the environmental and social management system (ESMS), environmental and social management plan (ESMP), and environmental and social management framework (ESMF) (paragraph 3.6).				
Special contractual clauses relating to execution: See the socioenvironmental contractual conditions in Annex B of the environmental and social review summary (ESRS) (required link 3).				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges: ^(d)	SI <input type="checkbox"/>		PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)	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) 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 the applicable policies.

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

^(e) 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 to be addressed, and rationale

- 1.1 **The country's macroeconomic performance and pandemic impact.** Statistics from the Central Bank of the Dominican Republic show that the Dominican economy was the third strongest in Latin America and the Caribbean from 2013 to 2019 with average annual growth of 6% in GDP, and 5% in per capita GDP. The crisis caused by the pandemic had major economic consequences, with the economy contracting 6.7% in 2020 (the largest decline in 55 years). However, the country experienced one of the swiftest recoveries in the region with growth of 12.3% in 2021, and expected growth of 5% to 5.3% in 2022. The Dominican Republic's economy, particularly the tourism sector, is closely linked with the country's natural capital.
- 1.2 **Context and relevance.** The Dominican Republic's 1,570 kilometers of coastline accounts for a large share of the country's natural capital (116 square kilometers of coral reefs, 224 square kilometers of mangroves, and 813 kilometers of beaches [1]).¹ This capital provides ecosystem services relied upon by significant human settlements and economic activities (particularly tourism and fishing). The value of coastal ecosystem services is estimated at between US\$690 million and US\$1.14 billion annually.
- 1.3 These services have become increasingly important, as urbanization and tourism development in the country tend to concentrate in coastal areas. The National Statistics Office (ONE) estimated that coastal municipios accounted for 50% of the total population in 2020, and could rise to more than 60% in 2075. Between 1995 and 2015, more than one quarter of built-up area was less than three kilometers from the coast [4]. Similarly, the coastal belt accounts for 95% of the country's hotel rooms [5] and until 2019 received most of the 5.3 million foreign tourists attracted each year by the country's core "sun and sand" tourism offerings [6]. In 2019, prior to the COVID-19 crisis, tourism represented 15.9% of total GDP, 800,000 jobs (1 out of every 5.8 jobs), 37.7% of total exports, and 3.7% of total investment [7]. The Dominican Republic was the top tourism destination in the Caribbean region, and ranked fourth in Latin America and the Caribbean after Mexico, Argentina, and Brazil. Tourism services are focused particularly on the destinations of Punta Cana, La Romana, Puerto Plata, and Samaná [8]. The first half of 2022 saw the sector recovering with almost the same numbers as in the first half of 2019 (3.5 million foreign tourist arrivals between January and July). At the same time, ONE's 2019 Fishing Census reported that 14,929 fishermen were working on the Dominican coast, operating out of 209 harbors and generating around 0.3% of GDP. The fishing sector is by-and-large artisanal in nature, characterized low levels of technology and little regulation, with 63% of fishing concentrated in near-coastal environments such as reefs, mangroves, and inlets.
- 1.4 **Sustainability challenges.** Data from the Travel and Tourism Competitiveness Report 2019 [10] suggest that one of the most significant challenges for the competitiveness and sustainable development of the Dominican Republic's tourism sector is preserving and enhancing its natural capital. The report confirms that the Dominican Republic ranks relatively low (76th out of 140 countries) in the category of natural resources for tourism competitiveness, and 91st out of 140 in

¹ See [optional link 2](#) for a complete list of bibliographical references (identified by the number in brackets [#]).

environmental sustainability. By way of illustration, the World Sustainability Organization's Sustainability Index, applied to 25 priority beaches in the Dominican Republic, yields an average score of 13% ([optional link 4](#)). Although coastal natural resources play a fundamental role in Dominican socioeconomic activities and are the main tourist attraction, several studies observe that these ecosystems are experiencing significant deterioration processes, such as coastal erosion or coral reef degradation [11]. These relate both to anthropogenic factors (improper use of coastal resources, unplanned urbanization, overfishing, water pollution from wastewater and agriculture, and others) and to natural factors (climate and winds, rising sea level, sea currents, sediment transport, and sargassum weed) [1, 11, 13, 15, 19]. According to scenarios prepared by the Intergovernmental Panel on Climate Change, climate change is expected to worsen these factors [12].

- 1.5 **Degradation of coastal and marine resources.** Certain natural coastal resources, such as coral reefs, seagrass meadows, and mangroves, are of vital importance for the sustainability of dune ecosystems in coastal areas, because they supply those areas with sand and protect them from erosion by dissipating the force of waves and sea currents [13]. Coastal erosion has thus been a particularly big problem for the country in recent years since conservation and restoration processes are slow and costly [14]. A recent diagnostic assessment of historical and current shoreline positions (operation ATN/OC-16820-DR) has found that in Las Terrenas 76% of Playa Bonita is exhibiting shoreline recession rates of as much as -1 meters per year, and 70% of the shoreline at Playa de Los Pescadores – Punta Popy is eroding at rates of up to -3 meters per year. Meanwhile, 74% of the stretch of coastline between Arena Gorda and Cortecito in Bávaro (north of Punta Cana) is eroding at rates of more than -6 meters per year. Overall, the erosion rate of coastal ecosystems at the sample beaches for this operation was found to be approximately 9.3% per year. One of the causes of erosion of the beaches studied is that up to 90% of coral reefs are degraded, which curtails the reefs' functions of producing sand and protecting against waves. Similar phenomena have been observed in other parts of the Dominican coastline: in 2008, 30% degradation was reported for corals in Bayahibe, and 10% in Bávaro [15]. Moreover, between 2015 and 2019, Reefcheck reported reef degradation processes at various locations in the country [16]. Overall, the rate of erosion of coastal ecosystems at the sample beaches for this operation was found to be approximately 9.3% per year.
- 1.6 One of the factors contributing to coral reef degradation is overfishing, particularly due to the artisanal, largely unregulated nature of the sector [11]. Ninety-two percent of fishermen say they have never received training in fishing techniques, and 100% acknowledge that at least one of their practices has a negative impact on the marine ecosystem (reef net fishing, fishing of prohibited species, etc.). Around 49% of the fishing population, which depends on coastal marine resources, is vulnerable or lives in conditions of extreme or moderate poverty [17]. This population segment has low average levels of schooling (6.2 years), 34% lack access to health insurance, and 94% have never had access to credit [9]. The evidence points to multiple harmful effects of reef fishing on coastal natural resources, including alterations in the structure of food webs and marine habitats and a reduction in the number of food fish species. This makes reefs generally less resilient and more sensitive to disease and invasive species [18]. Accordingly, a significant decline has been observed in reef fish populations in the Dominican Republic due to the overfishing of adult

- stocks, which cannot then perform their function of controlling algae. The algae then invade coral ecosystems, affecting their equilibrium and health. Readapting harmful economic activities by promoting alternative livelihoods such as sustainable tourism activities, sustainable fishing, and the sustainable use of natural resources in general has been an effective strategy for reducing marine ecosystem degradation, increasing income levels through more lucrative economic activities, and developing the ecotourism sector [19] - [22].
- 1.7 At a more disaggregated level, a recent diagnostic assessment of 48 beaches ([optional link 4](#)) observed significant imbalances in natural systems, such as erosion, compaction, and collapse of dune and plant systems. Significant erosion levels were found at 73% of these beaches, jeopardizing system health and future use of the beaches. Unplanned public and/or private tourism infrastructure was identified at 83% of the reviewed beaches, located in parts of the ecosystem where it contributes to the degradation of beach equilibrium. A common phenomenon seen at the beaches studied is small, informal beach business pop-ups, often operated by vulnerable households ([optional links 5](#) and [7](#)). The activities and structures of these businesses can contribute to the degradation of coastal spaces (construction on dunes, untreated wastewater, etc.). Vehicle traffic or parking areas were also found within the natural system at 70% of the beaches studied, contributing to dune compaction. There was also evidence of illegal sand mining at 30% of the beaches.
- 1.8 **Disaster and climate change risk.** The Dominican Republic is one of the countries most exposed to disaster risks from climate threats in Latin America and the Caribbean, as shown by country's score of 46.4 on the 2019 [Notre Dame Global Adaptation Initiative \(ND-GAIN\) index](#) (103rd out of 183 countries). Between 1982 and 2021, the country experienced 63 large-scale climate and hydrometeorological disasters [23] that caused more than 1,500 deaths, 5.6 million people affected, and public infrastructure losses of US\$4.2 billion. Average annual economic losses from disasters in the Dominican Republic are estimated at around US\$420 million (0.69% of GDP) [24]. A recent study reports that 60% of the country's 47 coastal municipios are at medium to very high risk from rising sea levels, erosion, and hurricanes [25]. The models developed for the beaches of Las Terrenas and Bávaro (operation ATN/OC-16820-DR) highlighted significant challenges from climate risks and erosion that are further compounded by climate change impacts that, according to scenarios prepared by the Intergovernmental Panel on Climate Change, could lead to more intense and frequent storms and hurricanes, affecting beach uses and services and jeopardizing the stability of infrastructure near the coastline.
- 1.9 **Competitiveness risk.** Degradation of beach quality can affect associated socioeconomic activities. Beaches and nearby natural resources are the main attractions for a large proportion of tourists visiting the Dominican Republic. The World Resources Institute has concluded that within 10 years after living corals disappear, erosion rates could increase more than 100% at beaches in the eastern Dominican Republic, and more than 65% at southern beaches [26]. This would lead to beach destruction and generate projected revenue losses for hotels of between US\$52 million and US\$100 million within a decade. The Dominican Republic is therefore highly vulnerable in terms of tourism competitiveness, and the fragility of coastal and marine natural resources is a key underlying factor in this vulnerability [27]. Likewise, several international studies show that biodiversity and natural capital in general are vital for tourism, and the associated policies are critical for tourism

competitiveness models because they directly affect the volume of international and domestic tourist arrivals, tourism expenditure, and investment [28].

- 1.10 **Challenges for the legal and institutional framework.** The public policy framework for balancing natural resource use and sustainable development in coastal areas is commonly known as integrated coastal zone management (ICZM) [29].² This policy approach uses scientific data to objectively assess the status and deterioration of natural resources and, on that basis, facilitate a coordinated development process among the different stakeholders involved in coastal and maritime socioeconomic activities. There is ample evidence showing ICZM's effectiveness in addressing coastal resource-related issues similar to those in the Dominican Republic [30]. One of the key features of ICZM is coordination among institutional mandates and policies.
- 1.11 In the case of the Dominican Republic, the Ministry of Environment and Natural Resources (MMARN), acting through the Office of the Vice Minister of Coastal and Marine Resources (VCM), is responsible for regulating the management, conservation, and sustainable use of the country's coastal and marine resources within a sustainability framework. The Ministry of Tourism (MITUR) is responsible for promoting tourism activity, including infrastructure planning and execution in tourist areas. The Ministry of Economy, Planning, and Development (MEPYD) is responsible for determining spatial planning policies. On the environmental front, the VCM has promoted a draft sector law governing the management of coastal and marine resources, but the bill has been awaiting approval by Congress since 2010. In the tourism sector, MITUR has developed spatial tourism plans for various locations, but implementation has varied depending on the context. The MEPYD has also proposed a Spatial Planning, Land Use, and Human Settlement Law, which was submitted to Congress for review in July 2022.
- 1.12 Several recent reviews of the legal and institutional framework for coastal zone management in the Dominican Republic, including the 2022 introduction of the climate-resilient ICZM performance indicators [methodology](#) developed by the Bank ([optional link 3](#)), have identified the following challenges for balanced and sustainable ICZM:
 - a. **Limited legal and institutional governance framework for planning and management.** Although the Dominican Republic has regulatory tools and standards for managing the use of coastal and marine resources, there is still no regulatory framework for disaster risk management and climate change adaptation that explicitly establishes an integrated coastal and marine policy for the country, consistent with trends observed internationally for managing such areas. The absence of a coordinated cross-sector approach leads to undefined and/or overlapping institutional roles and responsibilities. Likewise, stakeholders involved in the management of these areas perceive the absence or obsolescence of specific regulations and spatial or other planning instruments at the national and local levels as an important factor. For example, the diagnostic assessment of 48 beaches ([optional link 4](#)) found that none has a specific,

² ICZM is defined as a continuous, dynamic process whereby decisions are made for the use, development, and sustainable protection of coastal and marine areas and resources [16].

enforced plan for managing, zoning, or regulating beach access, traffic, cleaning, and use.

- b. **Limited information and risk analysis on coastal zones.** International good practices recommend basing the management of coastal and marine areas on a body of environmental, economic, social, and climate risk data. In the Dominican Republic, however, this management is outdated and/or fragmented across different institutions, which complicates policy design and decision-making (e.g., managing environmental licenses for public and private projects). There is no integrated, updated digital system for monitoring coastal and marine resources and their uses, nor are there any models for projecting the effects of climate change on coastal areas, such as those stemming from rising sea levels and the frequency and intensity of extreme events.
 - c. **Deficit in the identification of adaptation opportunities and investments for coastal protection and in financing.** In the absence of up-to-date information on the relationship between coastal dynamics and risks for socioeconomic development, the Dominican Republic has still not identified, prioritized, or estimated the scale of the necessary investments and measures to manage coastal areas and forestall risks along the country's coastline. In addition, the country still has no strategy or policy for financing ICZM nor financial incentives or plans to encourage private activities aligned with ICZM or climate adaptation. This has resulted in a deficit in financing for actions and investments to support the sustainable management of coastal zones.
 - d. **Human resource skills.** The country lacks specialized human resources in the fields of coastal and maritime science and engineering. No university course of study is offered in coastal engineering, so most coastal works are designed, built, and supervised by engineering services without specific expertise. In addition, government environmental licensing bodies do not possess all the necessary technical expertise to analyze proposed interventions.
- 1.13 **Gender.** A recent analysis ([optional link 7](#)) reveals a continuing gender gap in several different socioeconomic indicators in the Dominican Republic's coastal and marine zones. Only 25% of businesses at the beaches are run by a woman. Women's economic activities are often largely undocumented and informal. Producer associations or other associations with high economic impact in these areas are usually dominated or led by men. Degree programs and work opportunities relating to coastal systems and coastal system management are perceived as highly male-dominated fields. At the same time, incidents of harassment, violence, or sexual exploitation can be observed at certain beaches, potentially endangering local and foreign women using the beaches for recreation or earning income.
- 1.14 **Accessibility.** Around 15% of the world's population has some type of disability [32], and the proportion in the Dominican Republic is 12.4% [33]. A recent study indicates that significant challenges still remain for the inclusion and equal rights of persons with disabilities in the country [34]. In the Dominican Republic, the Equal Rights of Persons with Disabilities Act (passed in 2013) seeks to protect and ensure equal rights and opportunities for all persons with disabilities. Poor access and mobility conditions mean that people with physical disabilities often have limited access to coastal and marine resources and limited opportunities to benefit through economic activities.

Given the potential of accessible tourism, advancing the implementation of measures related to accessibility and availability of infrastructure and services equipped for persons with disabilities at beaches in the Dominican Republic will be vital.

- 1.15 **The Bank's experience.** To address these problems in the management of coastal areas, the project draws on and promotes good practices that have been validated internationally as part of the ICZM public policy framework approach. Accordingly, the project builds on the knowledge accumulated by the Bank in this sector over more than 30 years in the region (loans [2463/OC-BA](#) in Barbados, [4363/OC-BH](#) in The Bahamas, [3566/OC-BL](#) in Belize, and IDB Lab operations in the Dominican Republic). In Barbados, for example, it was found that, using an integrated approach, stabilization structures can improve the quality of beaches, contribute to the productivity and diversity of the ecosystem, and support economic growth [35]. It was also found in Barbados that establishing the national ICZM system took some time and experience gained in the medium and long term [34]. The project also draws on lessons learned from Bank-financed projects in the tourism sector in the Dominican Republic and elsewhere in the region (loans [2587/OC-DR](#), [3879/OC-DR](#), [2966/OC-ES](#), and [3682/OC-BR](#)). Specifically, to achieve the expected outcomes in time, the right execution mechanisms for complex institutional contexts must be put in place, and delays in bidding processes must be kept to a minimum, so that works design can move ahead promptly.

Table 1. Lessons learned

Lessons learned	Reflected in project design
1. ICZM approach. ICZM solutions need to combine (i) reliable quantitative information on coastal dynamics and risks [36]; (ii) innovative engineering designs based on scientific analyses of the causes of erosion, as well as flood control, incorporating nature-based approaches [37]; and (iii) strengthening of institutional coordination mechanisms, as well as planning and management capabilities [36].	The project will support the design and long-term implementation of measures to restore and protect coastal zones based on scientific research and consistent with international best practices, incorporating nature-based solutions. The project has a component for strengthening the legal and institutional framework, including the development of a national coastal zone strategy, as well as a coastal monitoring system, including the analysis of coastal climate risks.
2. Nature-based solutions (NBS). Although the NBS approach is being developed internationally, there is still a need in the Caribbean coastal and marine sector for greater scientific evidence regarding the effectiveness of these solutions in addressing problems of erosion and coastal environmental degradation.	The project will finance the implementation, monitoring, and evaluation of NBS, thus contributing to generate knowledge potentially applicable to the Caribbean region.
3. Sustainability. The sustainability and competitiveness of the Dominican tourism sector are closely correlated with the sustainable management of coastal and marine resources, so the project's impacts and outcomes should be measured through a combination of indicators in these areas.	The project will strengthen the system for ongoing implementing of ICZM public policy through different institutional strengthening and governance activities under the second component. The project's Results Matrix includes outcome and impact indicators that will measure tourism development and the sustainable management of coastal and marine natural resources.

Lessons learned	Reflected in project design
4. Execution mechanism. These projects involve different actors at the national and local levels, so the proposed execution mechanism must include an effective stakeholder coordination mechanism (loans 2587/OC-DR and 3879/OC-DR).	The project is based on lessons learned from loans executed by MITUR involving a number of government entities, and participation mechanisms have been agreed upon with the Government of the Dominican Republic that assign different roles and responsibilities to national and local stakeholders.
5. Quality of works design pre-contracting. It is crucially important for satisfactory designs to be ready before contracting civil works, to mitigate any cost variations during execution and/or unexpected socioenvironmental impacts (loans 2587/OC-DR , 3879/OC-DR , and 4553/OC-DR).	Before and during design of the operation, preliminary designs were prepared for the works and interventions at 27 of the country's beaches. Final, detailed designs will be completed during project execution, along with environmental and social management plans.
6. Alternative livelihoods. Alternative livelihoods should be supported in vulnerable coastal communities whose economic activities can compromise the sustainability of natural resources (IDB Lab operations ATN/ME-13126-DR and 4553/OC-DR).	The project includes a line of support for alternative businesses in vulnerable coastal communities with a special focus on women.
7. Financing. The Dominican tourism sector depends heavily on coastal natural capital. The public and private sectors must therefore internalize the cost of maintaining coastal and marine ecosystems, so they can contribute to financing it.	The project will finance the design of a public-private financing mechanism, to help protect/restore coastal and marine ecosystems.
8. Civic awareness campaign. Project 4363/OC-BH in The Bahamas demonstrated that citizen awareness-raising was necessary to promote the adoption of ICZM as a new public policy approach.	Component II calls for the financing of awareness campaigns for different institutional stakeholders, as well as citizens.

- 1.16 **Strategic alignment.** The operation is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and aligned with the challenge of productivity and innovation, by contributing to sustain the tourism sector based on the preservation and development of coastal natural capital. It is also aligned with the crosscutting themes of: (i) climate change and environmental sustainability, by contributing to climate change adaptation in coastal zones, preservation of coastal ecosystems, and reduced vulnerability to disaster risks; (ii) institutional capacity and the rule of law, by contributing to strengthen the legal and institutional framework for ICZM; and (iii) gender equality and diversity, through mechanisms to promote women's participation and provide accessible infrastructure for persons with disabilities. The project also contributes to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the following indicators: (i) micro, small, and medium-sized enterprises financed; (ii) beneficiaries of enhanced disaster and climate change resilience; (iii) habitats that are sustainably managed using ecosystem-based approaches; (iv) value of investments in resilient and/or

low-carbon infrastructure; (v) agencies with strengthened digital technology and managerial capacity; and (vi) women beneficiaries of economic empowerment initiatives. The project is aligned with the IDB Group Country Strategy with the Dominican Republic 2021-2024 (document GN-3084), particularly the challenge of sustainable and inclusive productive reactivation, by contributing to improved tourism sector resilience, and the crosscutting issues of climate change adaptation and institutional capacity and the rule of law. It is consistent with the sector framework documents for Tourism (document GN-2779-12), Environment and Biodiversity (document GN-2827-8), and Climate Change (document GN-2835-8). The project is aligned with the Public Sector Multiyear Plan 2021-2024, the National Development Strategy 2030, and the Nationally Determined Contribution (NDC). Synergies will be promoted with other Bank operations in the Dominican Republic (particularly loan 5637/OC-DR).

- 1.17 It is estimated that 100% of the project resources will be invested in climate change adaptation activities, according to the [joint methodology of the multilateral development banks for tracking climate change adaptation finance](#) ([optional link 8](#)). These resources contribute to the IDB Group's goal of increasing the financing of climate change-related projects to 30% of total approvals by year-end.

B. Objectives, components, and cost

- 1.18 **Objectives.** The general objective of the operation is to contribute to the sustainability of tourist coastal zones, taking climate risk into account. The specific objectives are: (i) to restore and preserve priority coastal zones used for tourism; and (ii) to strengthen the legal and institutional framework and build capacity for integrated coastal zone management.
- 1.19 **Component I. Investments for the sustainability of priority coastal zones (US\$58,950,000).** This component will finance a package of investments to improve the sustainability of tourist coastal zones, specifically:

1. Resilient and inclusive works and interventions

- 1.20 Based on analysis of a sample of works and interventions ([optional link 4](#)), financing will be provided to identify, design, and implement mixed green-gray infrastructure works and interventions [25] with emphasis on NBS in priority coastal zones (reef and mangrove restoration, dune reconstruction, coastal protection/regeneration works, etc.). Associated studies will be financed to identify and dimension the most effective measures in the priority areas, including: (i) environmental, social, economic, and land-use profiling; (ii) studies of coastal dynamics (wave action, hydrosedimentary dynamics including climate and coastal erosion risks, etc.); (iii) final designs for mixed green-gray infrastructure works and interventions based on prior diagnostic assessments; (iv) studies of sandbanks and dredging plans (as applicable); and (v) analyses of social and environmental impacts and social and environmental management plans. Financing will also be provided for contracting specialized services to supervise the works and interventions, as well as specialized international technical assistance in the area of sustainable coastal management to provide technical support for execution of the component. All socioenvironmental management-related costs will be financed, consistent with the Bank's new Environmental and Social Management Framework.

- 1.21 Works and interventions will be financed, such as: (i) restoration and protection of coral reefs, seagrass meadows, and mangroves ([optional link 5](#)); (ii) decompacting and/or reconstruction of coastal dunes; (iii) replanting of coastal areas with endemic and native species; (iv) infrastructure to regulate accessibility, including measures for persons with disabilities (parking spaces, boardwalks, etc.); (v) construction or upgrading of small-scale works relating to tourism services (beach businesses, sanitation services, solid waste management, coastal security); (vi) environmental and social awareness posters for beach management; (vii) construction of coastal erosion control works (embankments, piers, and breakwaters); (viii) beach sand replenishment (if applicable); (ix) removal of movable objects affecting ecosystems (abandoned boats, solid waste, etc.); and (x) purchase of land, as necessary.
- 1.22 Land purchases may be necessary to meet the project objective, as required to upgrade services and land use at the priority beaches on a case-by-case basis. These costs are part of the total project cost. Financing of the cost of land purchases will be contingent on meeting the requirements set in the Policy on Eligible Expenditures in Investment Loans, as follows: (i) the purchases are part of the project and are indispensable for the proposed works and interventions; (ii) the use of the land is productive, contributing to restoration of the priority beaches; and (iii) the agreed prices reflect market prices that are reasonable and satisfactory to the Bank³ and according to the mechanisms established in the project Operating Regulations.
- 1.23 Based on diagnostic studies, 25 priority beaches have been identified,⁴ and the investments to be made in them have been determined and predesigned ([optional link 4](#)). The necessary analyses were performed for a representative sample of five beaches (paragraph 2.7). Although these beaches will be the main ones targeted under the project, the executing agency may request the addition of other beaches, where the proposed investments meet the eligibility criteria agreed upon with the Bank (paragraph 2.7). The investments will be supported by the preparation of local ICZM plans (paragraph 1.20).

a. Support for alternative livelihoods and initiatives relating to sustainable management of coastal and marine resources

- 1.24 Financing will be provided for technical assistance, nonreimbursable financial assistance, and/or training for businesses at the 25 priority beaches with the objective of developing alternative livelihoods and economic activities related to the sustainable management of coastal and marine ecosystems. To benefit from this assistance, among others eligibility criteria, businesses must be: (i) engaged in activities related to the sustainable management of coastal and marine natural resources; (ii) located at the beaches where the resilience works and activities will be undertaken; and (iii) run by, or include, vulnerable and/or low-income individuals. At least 50% of the enterprises will be led by women. This assistance will cover (i) the purchase of movable assets and/or work tools and/or technical equipment; (ii) small-scale works; and (iii) technical and business training and assistance. This

³ Modernization of Policies and Practices that Restrict the Use of Resources in Investment Loans (document GN-2331-5) and associated operational guidelines (document CC-6004-2).

⁴ Operations [ATN/OC-16820-DR](#) and [ATN/OC-19173-DR](#).

assistance will prioritize a shift away from economic activities harmful to coastal natural resources (i.e., reef fishing) and promote activities based on the value of ecosystem services (restoration of corals and other coastal habitats, sustainable tourism activities, sustainable fishing, etc.). Priority will be given to women-led businesses, so at least 50% of the supported businesses are expected to meet this criterion. The assistance will include training and technical assistance for businesses to strengthen their environmental practices (waste management, etc.) and practices to mitigate and address social impacts.

- 1.25 **Component II. Institution-strengthening and public governance for integrated coastal zone management (US\$7,000,000).** This component's objective will be to strengthen the legal and institutional framework and build capacity for ICZM at the national and local levels. To do so, financing will be provided for the following activities ([optional link 4](#)), in collaboration with MITUR and MMARN:

b. ICZM planning and regulatory instruments

- 1.26 The project will finance the development of a set of public policy tools for decision-making on the use, development, and sustainable protection of coastal zones and climate change adaptation. This will include preparation of a national ICZM strategy based on up-to-date information and analysis of coastal risks, which will promote a consensus-driven approach involving relevant ICZM stakeholders in the country. The strategy will take the current legal framework and need for changes into consideration. Accordingly, financing will be provided to prepare the associated regulatory tools for strategy implementation. The project will also finance the development of local ICZM plans, which will accompany all investments at the priority beaches (Component I). Relevant local stakeholders will participate in preparing the plans (with special emphasis on the participation of women and vulnerable groups). As part of the management tools, technical assistance will also be financed to design a public-private financing mechanism for the restoration and/or protection of coastal and marine ecosystems such as dunes, reefs, and mangroves.

c. Coastal and marine zone monitoring system

- 1.27 Financing will be provided for design and development of a coastal and marine zone monitoring system, including technical assistance, equipment, training, and data canvassing and tracking campaigns. The system will include orthophotogrammetry, numerical terrain modelling, topobathymetry, and environmental, social, and economic data, as well as coastal risk modelling (coastal erosion, sea level rise, storm surges).

d. Training of human resources

- 1.28 Financing will be provided to train human resources in the public and private sectors and academia in ICZM, coastal engineering, NBS, and issues around the inclusive management of coastal resources. Priority will be given to training in sectors with a high impact on coastal ecosystems (MITUR, MMARN, Ministry of Public Works and Communications (MOPC), Ministry of Housing, Habitat, and Constructions (MIVHED), municipal governments, etc.), private sector, etc. Efforts will be made to ensure that women account for at least 50% of training program participants.

e. Awareness and education campaigns

- 1.29 Financing will be provided for awareness and education campaigns directed at beachgoers and the general population on sustainable environmental and social management of coastal areas (solid waste management, dune management, reef care, social issues, etc.). In collaboration with local authorities, activities will also be financed to raise the visibility of mechanisms to prevent and respond to issues linked to violence against women and sexual exploitation in coastal areas and other issues.
- 1.30 **Administration, impact evaluation, and audit (US\$4,050,000).** Financing will be provided for (i) strengthening and operations of the project coordination unit (PCU); (ii) expenditures for audits and for monitoring and evaluation.

C. Key results indicators

- 1.31 **Expected outcomes.** The project Results Matrix (Annex II) has been agreed upon with the borrower and contains impact, outcome, and output indicators with their respective intermediate and final targets. The expected impacts are: (i) an increase in economic activity in the targeted zones, and (ii) an increase in the number of criteria met under the protocol for obtaining sustainable beach certification from the World Sustainability Organization. The Results Matrix also includes three outcome indicators for each specific objective. The indicators associated with the specific objective to restore and preserve priority coastal zones used for tourism are: (i) area covered by coastal ecosystems expanded in the targeted coastal zones; (ii) beach/dune area maintained at the beaches with structural interventions; and (iii) beach area recovered through spatial reorganization actions. The outcome indicators associated with the specific objective to strengthen the legal and institutional framework and build capacity for ICZM are: (i) the “legal and institutional framework for ICZM and climate preparation” subindex of the climate-resilient ICZM performance index; (ii) the “assessing climate risks in the coastal zone” subindex of the climate-resilient ICZM performance index; and (iii) the percentage of indicators with scores above zero on the “spatial and management plan adherence/compliance” index for the targeted beaches.
- 1.32 **Economic evaluation.** The ex ante economic analysis ([optional link 1](#)) uses a contingent valuation model to estimate the benefits of reestablishing ecosystem service provision and mitigating deterioration of the targeted beaches. Based on the five beaches used as a sample, the analysis indicates that the project has an aggregate economic net present value in the base-case scenario of approximately US\$16.8 million, reflecting the economic viability of the intervention. The internal rate of return is above 6.8%. A sensitivity analysis showed that the project remains economically viable despite changes in the values of the essential variables, with a net present value above US\$3 million and an internal rate of return above 4% in extreme scenarios.
- 1.33 **Beneficiaries.** The project beneficiaries are the people directly enjoying the ecosystem services provided by the beach (i.e., local and international recreational visitors to the beaches), those benefitting from improved coastal protection (particularly residents and businesses located directly along the beaches), and those receiving training to promote alternative livelihoods and economic activities related to sustainable management of coastal and marine ecosystems. In total, the project as a whole will benefit an estimated 127,812 inhabitants, 15 alternative businesses with a

total of up to 350 direct employees in coastal communities, and 5,779,269 local and international visitors each year.

- 1.34 **Gender and diversity approach.** The project incorporates a gender and diversity lens through the following actions ([optional link 7](#)): (i) adapted infrastructure and services developed at the beaches to support accessibility and mobility for persons with disabilities, including mechanisms for workforce integration; (ii) technical assistance, nonreimbursable financial assistance, and/or training provided to women-led businesses; (iii) capacity-building of women's associations and organizations involved in economic and environmental activities in coastal zones; (iv) at least 50% participation by women in training programs; (v) environmental and social awareness campaigns in tourist coastal zones; and (vi) capacity-building of the MITUR gender unit; and other activities.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The project will be financed by a global multiple-works loan, since it involves financing of works that are physically similar but separate from each other, and its feasibility does not depend on the execution of a specific number of work projects. The independent nature of the works means that the project can be divided, so some specific works may be eliminated or postponed indefinitely without affecting the other works in the project. The maximum period for the physical start of works will be 2.5 years from the entry into force of the loan contract. The disbursement period is five years.
- 2.2 **Project cost and financing.** The total project cost is US\$70 million. The Bank will finance the entire project (100%) with its Ordinary Capital resources.

Table 2. Estimated project costs (US\$)*

Components	IDB	%
Component I. Investments for the sustainability of priority coastal zones	58,950,000	84.2%
▪ Sustainable and inclusive improvement projects implemented at priority beaches	57,445,000	82.1%
▪ Support for alternative livelihoods and initiatives relating to sustainable management of coastal and marine resources	1,505,000	2.1%
Component II. Institution-strengthening for ICZM	7,000,000	10.0%
▪ ICZM planning and regulatory instruments	2,710,000	3.9%
▪ Coastal and marine zone monitoring system	3,263,000	4.7%
▪ Training of human resources	220,000	0.3%
▪ Awareness and education campaigns	807,000	1.1%
Administration, impact evaluation, and audit	4,050,000	5.8%
Total	70,000,000	100%

* The costs for subcomponents or principal activity are indicative.

Table 3. Pace of disbursements

Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6*	%
IDB (US\$ million)	1.1	5.7	12.9	21.7	20.2	8.4	70.0
IDB (%)	1.6%	8.1%	18.4%	31.0%	28.9%	12.0%	100.0%

* Part year.

- 2.3 **Representative sample.** The project meets the conditions set for multiple-works investments. The sample of works analyzed comprises the technical designs for works at Playa Bonita, Playa Pescadores, Punta Popy, Palenque, Playa Caribe, and Punta Salinas ([optional link 4](#)), which account for 40.6% of the total loan amount and 48.2% of the total amount for Component I. The sample is a subset of the priority areas and includes the main types of civil works identified for the operation, as described in paragraph 1.21 (restoration of coastal and marine ecosystems, accessibility regulation works, small-scale works relating to tourism services, coastal erosion control works, beach sand replenishment). The sample works meet the eligibility criteria listed in paragraph 2.4.
- 2.4 **Eligibility criteria for projects.** The following eligibility criteria apply to the representative sample and will apply to all other investments to be financed under the project: (i) the works must be in line with the objectives of protecting and/or restoring coastal ecosystems and contribute to sustainable tourism development at the destination; (ii) the necessary studies demonstrating that the works are technically viable must be available. Complex works (particularly coastal erosion control works and sand replenishment) must undergo a qualified peer review process, to validate the diagnostic assessments and proposed actions; (iii) the works must be part of a selected ICZM framework and include complementary management actions (paragraph 1.23); (iv) environmental and social impacts must be moderate or nil (category B or C); (v) the works must be located on public land with unrestricted public access; (vi) a prior agreement must be in place with the entity that will be responsible for operation and maintenance, as applicable; and (vii) the intervention must carry no risk of generating social tensions.

B. Environmental and social safeguard risks

- 2.5 This operation has been classified as category “B” under the IDB’s Environmental and Social Policy Framework (ESPF), based on the negative socioenvironmental impacts that could be caused by the coastal rehabilitation works. These impacts will be localized, temporary, and moderate in magnitude and will be addressed with available mitigation measures. The project is subject to high environmental and social risks (ESRR – High) because of the coastal context where it will be implemented and the economic and physical displacement involved. The main impacts and risks will be the generation of noise, dust, and solid and liquid waste, the risk of fuel spills, increased traffic due to machinery use, alteration of soil quality due to preparation and placement works for concrete and equipment, and occupational and community health. There may also be a potential impact on natural habitats due to changes in water turbidity and modification of the natural habitat; to this end, currents and sand mining/placement areas will be analyzed relative to biological and physical baselines that have been prepared. With respect to social issues, temporary, mitigable economic displacements are anticipated, and a

- livelihood replacement plan has been prepared for these cases. Physical displacement will occur in a number of cases, and resettlement plans have been prepared for the five projects in the sample. These plans are based on existing information from the engineering designs, which are still in the process of being finalized.
- 2.6 An environmental and social management system (ESMS) has been prepared that encompasses the specific framework for the project; the identification of risks and impacts and projects to manage them; organizational capacity and skills; emergency readiness and response; stakeholder participation and consultations; and monitoring and evaluation. An environmental and social assessment (ESA) has been done for the three southern beaches in the sample (Salinas, Palenque Cocolandia, and Caribe) and an environmental and social impact assessment (ESIA) has been done for the two northern beach areas (Terrenas and Bonita). These cover sand mining and placement, breakwater construction, and supplemental coastal works. The ESA and ESIA include the respective environmental and social management plans (ESMPs), both of which form part of the ESMS. As this is a multiple-works project, an environmental and social management framework (ESMF) has been prepared that includes guidelines for projects not included in the sample. The ESMF also includes instruments such as the stakeholder participation plan and the resettlement framework.
- 2.7 In accordance with the consultation plan for the project, general consultations have been held at each of the five beaches in the sample, and specific consultations have been held with those affected by physical and economic displacement. The socioenvironmental documents have been updated, based on input from the general consultation process, as well as the specific resettlement details, before submission to the Board. The ESA, ESIA, ESMF, and resettlement plans were published before the analysis mission. The general consultation and resettlement reports have been published, together with the final versions of the ESMS, ESA, ESIA, and ESMF, within the time limits specified in the ESPF.
- 2.8 Disaster and climate change risk has been identified as high due to the presence of coastal threats (e.g., hurricanes, coastal flooding, storm surges, and earthquakes).
- C. Fiduciary risks**
- 2.9 The results of an evaluation of MITUR, as executing agency, using the Institutional Capacity Assessment Platform (ICAP) indicate an acceptable level of financial and procurement management capacity, based on prior experience executing Bank loans,⁵ albeit through other execution units. Fiduciary risk is rated medium-high due to possible difficulties in finding sufficient fiduciary and technical staff. The following mitigation measures are included: (i) as a special condition precedent to the first disbursement of the financing, ensure that PCU staff have been contracted with the relevant experience for the positions, in accordance with terms of reference agreed upon with the Bank; (ii) provide intensive training to PCU staff on management instruments, as well as close IDB supervision of progress, to identify obstacles and

⁵ Loans [2587/OC-BR](#) and [3879/OC-AR](#).

provide support for solutions; and (iii) commission supplemental technical assistance to support the PCU in managing the technical quality of outputs.

D. Other key issues and risks

- 2.10 The following risks were also identified: (i) if the mechanism for coordination between MITUR and MMARN is not implemented, the definition and implementation of certain outputs could be delayed. This risk will be mitigated by the signing and entry into force of an interagency agreement between the two entities, as well as technical/operational coordination mechanisms to promote their participation; (ii) if MITUR, MMARN, and/or MOPC fail to give the processing the different permits for the proposed interventions high enough priority, the pace of project execution could be affected. This risk will be mitigated by the interagency agreement between MITUR and MMARN, and MOPC will also be approached beforehand to request its support; (iii) if no ownership of the proposed interventions is taken at the local level, project execution could be halted or blocked. This risk will be mitigated by participatory mechanisms, as well as implementing communication, social, and resettlement plans; (iv) if certain causes of the deterioration of coastal ecosystems persist, the objectives of restoring coastal ecosystems could be affected. This risk will be mitigated by implementing a comprehensive response to the problems with an ICZM approach; (v) the lack of specialized firms and service providers in the field of coastal engineering at the national level could delay the preparation of coastal studies and execution of the planned works and interventions. This risk will be mitigated by contracting specialized technical assistance, preparing bidding documents of high technical quality, market studies, the use of international competitive bidding, and the incentive for partnering between local and international firms; and (vi) if land purchases, where necessary, cannot be completed within a time frame consistent with execution of the interventions, execution could be subject to partial delays. This risk will be mitigated by planning and close monitoring of procurement processes related to resettlement plans.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The project executing agency will be the Ministry of Tourism (MITUR), acting through an ad hoc project coordination unit (PCU). The PCU will report directly to the institution's top level of management and will have the following responsibilities: general coordination, planning, monitoring and supervision, administration and finance, procurement and contracting, supervision of environmental and social management, communication and technical quality management, ensuring compliance with the conditions and targets set for the project, and satisfactory coordination with the technical agencies involved. Management, technical, fiduciary, and socioenvironmental staff will be contracted, and the specific technical and operational arrangements and coordination mechanisms for project management will be described in the project Operating Regulations.
- 3.2 For the management of project technical quality, the PCU will work in coordination with MITUR's Tourism Planning and Projects Department. Additionally, to ensure the technical participation and appointment of the members of the Technical Committee, MITUR will sign an interagency agreement with the Ministry of

Environment and Natural Resources (MMARN) that clearly defines roles, responsibilities, coordination mechanisms, time frames to guarantee technical participation, and appointment of the members of the Project Technical Committee.

- 3.3 The Project Technical Committee will be created as an interagency coordination mechanism consisting of at least: (i) one representative of MITUR's Office of the Technical Vice Minister; (ii) one representative of MMARN's Office of the Vice Minister of Coastal and Marine Resources; (iii) one representative of MITUR's Tourism Planning and Projects Department, which will serve as technical secretariat for the committee; and (iv) the PCU's project general coordinator. This committee will be responsible for: (i) ensuring coordination and division of tasks among stakeholders for the projects and outputs planned under the project; (ii) validating determinations regarding technical/sectoral issues, when these require a joint determination by more than one technical entity; (iii) validating the annual work plan for the project; and (iv) ensuring overall monitoring of project implementation. The committee's operational arrangements will be described in the project Operating Regulations.
- 3.4 The PCU key personnel dedicated exclusively to the project will be: (i) a project general coordinator; (ii) an administrative/financial specialist; (iii) a procurement specialist; (iv) an environmental specialist; and (v) a social specialist. The PCU will also have additional technical and administrative staff to support project execution.
- 3.5 **Project Operating Regulations.** Project execution will be governed by the project Operating Regulations ([optional link 9](#)), which establish rules and procedures for the programming and execution of activities, administrative and financial management, procurement and contracting, audit management, monitoring and evaluation, and interagency coordination. The project Operating Regulations also include (i) interagency coordination arrangements; (ii) the PCU organization chart, along with job descriptions and required terms of reference for staff; (iii) the procedures applicable to the multiple-works loan modality, including eligibility criteria and procedure for financing project works and interventions; (iv) the environmental and social requirements included as annexes to the ESMS, ESMP, and ESMF; and (v) the project monitoring and evaluation plan.
- 3.6 **The special contractual conditions precedent to the first disbursement of the financing will be as follows: (i) an interagency agreement has been signed and entered into force between MITUR and MMARN; (ii) the Project Technical Committee has been formed with representatives of both MITUR and MMARN (paragraph 3.3); (iii) a project coordination unit (PCU) has been formed, and the PCU key staff have been appointed and/or contracted via a competitive process (paragraph 3.4), in accordance with the terms of reference previously agreed upon with the Bank; and (iv) the project Operating Regulations have been approved, in accordance with the terms and conditions previously agreed upon with the Bank, including, among other elements, the environmental and social requirements in the environmental and social action plan (ESAP), and incorporating, as annexes, the environmental and social management system (ESMS), environmental and social management plan (ESMP), and environmental and social management framework (ESMF).**
- 3.7 The first two measures are justified by the technical and strategic importance of effective coordination between the two sector apex agencies, and of establishing the

- roles and responsibilities of each in relation to project execution. The third condition is to ensure that staff are duly assigned to the project to ensure its efficient, effective execution. The fourth condition is justified by the Bank's experience in the region, which indicates that approving the project Operating Regulations prior to the first disbursement contributes to improved internal organization of the executing agency for implementation of the operation.
- 3.8 **Fiduciary management.** The fiduciary agreements and requirements for project execution are described in Annex III. The executing agency will be responsible for administrative, procurement, financial, and accounting management.
- 3.9 **Procurement.** Procurements will be listed in the procurement plan approved by the Bank ([required link 4](#)) and conducted in accordance with the 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).
- 3.10 **Disbursements.** The Bank will disburse resources under the advance of funds modality or another modality established in document OP-273-12. The advances of funds will be based on a financial plan for the next six months or other reasonable period, once the payments made have been discharged and duly documented. Except for the first advance of funds, subsequent advances may be processed, once justification has been provided for 80% of the cumulative total balance. If necessary, use of the flexible measures established in document OP-273-12 can be explored. The Online Disbursement electronic platform will be used to manage disbursement transactions with the Bank.
- 3.11 **Audit.** The audited annual financial statements for the project will be delivered to the Bank within no more than 120 days after the close of each fiscal year of the executing agency, duly audited by an independent audit firm acceptable to the Bank. The final audited financial statements will be delivered within 120 days after the date of the last project disbursement.
- B. Summary of arrangements for monitoring results**
- 3.12 The project has a monitoring and evaluation plan ([required link 2](#)), agreed upon with the executing agency and with an allocated budget, that includes: (i) indicators for monitoring and evaluating project impact and outcomes, with their respective baselines and measurement methodologies; (ii) a critical path for activities and outputs; and (iii) description, timeline, and parties responsible for supervision.
- 3.13 **Monitoring.** The executing agency will deliver a six-monthly status report to the Bank within 60 days after the end of each six-month period, covering progress on activities for the part of the project under its respective responsibility. The reports will focus on the attainment of output indicators and progress on outcomes included in the Results Matrix, as well as analyzing risks and problems encountered and outlining corrective measures. Reports for the second half of each year will include the annual work plan for the following calendar year with a disbursement projection and updated procurement plan. The monitoring reports will include the minutes of the Project Technical Committee.
- 3.14 **Evaluation.** The executing agency will deliver a midterm evaluation report to the Bank within 90 days after the date on which 50% of the loan proceeds have been

disbursed, and the project final evaluation report within five months after the date on which 95% of the loan proceeds have been disbursed. These reports will include (i) analysis of project financial execution; (ii) progress on attainment of the Results Matrix outputs, outcomes, and impacts; and (iii) project lessons learned.

- 3.15 The final evaluation report will also include the results of the measurement of project impact, in accordance with the agreed evaluation plan. The evaluation plan proposes a project impact evaluation based on the synthetic control method, which employs the weighted average of a group of data points not affected by the program to create a synthetic control group that best reflects the characteristics of the treatment unit. The methodological strategy is based on evaluating the impact of the program at Playa Las Terrenas, which was selected as the treatment unit because it will receive a comprehensive intervention consisting of spatial reorganization in conjunction with the development of marine infrastructure and coral restoration. The synthetic version of Las Terrenas will be constructed on the basis of a reserve of control units with the same geographical and socioeconomic context, consisting of 24 beaches in the Dominican Republic. The evaluation plan provides further details of the methodological approach and the information required to perform the impact evaluation.

C. Design activities post-approval

- 3.16 MITUR has preliminary and near-final designs for investments that were developed with support from technical cooperation operations [ATN/OC-16820-DR](#) and [ATN/OC-19173-DR](#). Preparation of the detailed designs for the works will continue, and the required socioenvironmental studies will be completed, so that bidding processes may be launched as soon as possible after loan effectiveness. MITUR will also continue its dialogue with the entities involved, to facilitate interagency coordination on integrated coastal zone management issues, particularly with regard to signing of the interagency agreement and creation of the Project Technical Committee.

Development Effectiveness Matrix		
Summary		DR-L1154
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Productivity and Innovation -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Micro / small / medium enterprises financed (#) -Women beneficiaries of economic empowerment initiatives (#) -Habitat that is sustainably managed applying ecosystem-based approaches (ha) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3084	Sustainable and inclusive productive reactivation. Transversal axes of adaptation to climate change and institutional capacity and state
Country Program Results Matrix		The intervention is not included in the 2022 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		7.7
3.1 Program Diagnosis		1.9
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		2.3
4. Ex ante Economic Analysis		9.0
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		0.0
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		Medium High
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. Procurement: Information System, Price Comparison.
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	ATN/OC-16820-DR y ATN/OC-19173-DR

The general objective of the operation is to contribute to the sustainability of tourist coastal areas, taking into account climate risk. The specific objectives are: (i) restore and preserve priority coastal areas for tourist use; and (ii) strengthen the legal and institutional framework and capacities for the integrated management of coastal zones. The diagnosis on the degradation of coastal-marine resources, as well as on the challenges of the legal and institutional framework to balance the use of natural resources and the sustainable development of coastal areas is adequate. The program's focus primarily on restoration and the use of nature-based solutions recognizes the fragility of ecosystems and the need for additional knowledge and a strengthened legal and institutional framework before undertaking hard infrastructure interventions. The results matrix includes mostly SMART result indicators to demonstrate the achievement of the specific objectives.

The ex-ante economic analysis estimates the benefits derived from restoring the provision of ecosystem services and those associated with mitigating the deterioration of intervened beaches through a contingent valuation model. The analysis justifies the use of a discount rate of 4%, in line with recommendations of the Office of Management and Budget (Office of Management and Budget), of the United States government, which in its guidelines for federal agencies on the development of regulatory analysis, suggests using a rate of 3% per year and the World Bank, that in its global natural capital valuations uses a rate of 4%.

The evaluation plan proposes to carry out an impact evaluation of the program using synthetic control.

RESULTS MATRIX

Program objective:	The general objective of the operation is to contribute to the sustainability of tourist coastal zones, taking climate risk into account. The specific objectives are: (i) to restore and preserve priority coastal zones used for tourism; and (ii) to strengthen the legal and institutional framework and build capacity for integrated coastal zone management.
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EXPECTED IMPACT

Indicators	Unit of measure	Baseline		Targets		Means of verification	Comments
		Value	Year	Value	Year		
Impact 1. Economic growth attributable to the program at the targeted beaches	%	0	2020-2022	2.8	2028-2030	Satellite images and georeferenced economic, environmental, and demographic variables from the National Oceanic and Atmospheric Administration (NOAA), Google Maps, WorldPop, and the National Statistics Office (ONE)	Economic growth over a three-year period, which must be verified in relation to a synthetic control (required link 2). Cf. optional link 1, page 31.
Impact 2. Mean environmental sustainability index for use of the targeted beaches	Index	13	2022	50	2028	Diagnostic assessment reports on the targeted beaches	This index, which has a minimum value of 0 and a maximum of 100, consists of 16 dichotomous indicators with equal weights, based on criteria used by the World Sustainability Organization (see Appendix MR1).

OUTCOMES

Indicators	Unit of measure	Baseline		Targets		Means of verification	Comments
		Value	Year	Value	Year		
Specific objective 1. Restore and preserve priority coastal zones used for tourism							
Outcome 1.1. Area covered by coastal ecosystems preserved and expanded in targeted coastal zones	Hectares	17.2	2022	19.8	2028	Satellite/aerial photographs	Coastal ecosystems consist of coral reefs, mangroves, and seagrass meadows. Contributes to the Corporate Results Framework (CRF) 2020-2023 indicator “Habitat that is sustainably managed using ecosystem-based approaches.”

Indicators	Unit of measure	Baseline		Targets		Means of verification	Comments
		Value	Year	Value	Year		
Outcome 1.2. Beach/dune area maintained at the beaches with structural interventions	Hectares	11.9	2022	21.6	2028	Satellite/aerial photographs and in situ measurements	This indicator applies only to those beaches where erosion control infrastructure is built. The baseline and target values relate to Playa Bonita and Playa Las Terrenas.
Outcome 1.3. Beach area recovered through spatial reorganization actions	Hectares	0	2022	353.6	2028	Satellite/aerial photographs and in situ measurements	"Beach area recovered" is an area of the beach used differently due to the investments and compliance with coastal spatial planning and management plans.
Outcome 1.4. Beaches accessible to persons with physical disabilities	Number	1	2022	25	2028	Diagnostic reports on targeted beaches	
Outcome 1.5. Jobs created in alternative activities relating to the sustainable management of coastal and marine ecosystems, disaggregated by gender	Number	Men: 0 Women: 0	2022	Men: 175 Women: 175	2028	Implementation monitoring reports	Alternative activities are defined as those not harmful to natural coastal and marine resources, such as sustainable fishing, sustainable tourism, and the sustainable use of ecosystem services.
Specific objective 2. Strengthen the legal and institutional framework and build capacity for integrated coastal zone management (ICZM)							
Outcome 2.1. "Legal and institutional framework for ICZM and climate preparation" subindex of the climate-resilient ICZM performance index	%	15.5	2022	17.8	2028	Implementation monitoring reports	Indicator calculated on the basis of the IDB's " Climate-Resilient Integrated Coastal Zone Management Performance Indicators " methodology. This indicator contributes to the CRF 2020-2023 indicator "Agencies with strengthened digital technology and managerial capacity."
Outcome 2.2. "Assessing climate risks in the coastal zone" subindex of the climate-resilient ICZM performance index	%	16.9	2022	19.4	2028	Implementation monitoring reports	Indicator calculated on the basis of the IDB's " Climate-Resilient Integrated Coastal Zone Management Performance Indicators " methodology.
Outcome 2.3. Percentage of indicators with scores above zero on the "Spatial and management plan adherence/compliance" index for the targeted beaches.	%	0	2022	50	2028	Periodic inspection reports	This index consists of 22 indicators.

OUTPUTS

Indicators	Unit of measure	Base-line	Base-line year	Year 1* 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6* 2028	End of project	Means of verification	Comments
Component I. Investments for the sustainability of priority coastal zones												
Output 1: Sustainable and inclusive improvement project implemented at Playa Bonita	Number	0	2022	-	-	-	-	-	1	1	Implementation monitoring reports	This output includes investments for specialized infrastructure to meet the needs of persons with disabilities.
Output 2: Sustainable and inclusive improvement project implemented at Playa Las Terrenas	Number	0	2022	-	-	-	-	-	1	1	Implementation monitoring reports	Ibid.
Output 3: Sustainable and inclusive improvement project implemented at Playa Palenque	Number	0	2022	-	-	-	-	1	-	1	Implementation monitoring reports	Ibid.
Output 4: Sustainable and inclusive improvement project implemented at Playa Caribe	Number	0	2022	-	-	-	1	-	-	1	Implementation monitoring reports	Ibid.
Output 5: Sustainable and inclusive improvement project implemented at Punta Salinas	Number	0	2022	-	-	-	-	1	-	1	Implementation monitoring reports	Ibid.
Output 6: Sustainable and inclusive improvement project implemented at Costa del Este	Number	0	2022	-	-	1	-	-	-	1	Implementation monitoring reports	Ibid.
Output 7: Sustainable and inclusive improvement projects implemented at priority beaches	Number	0	2022	-	2	5	8	3	1	19	Implementation monitoring reports	Ibid.
Output 8: Coastal and marine ecosystem restoration projects implemented	Number	0	2022	-	-	4	4	4	4	4	Implementation monitoring reports	Ibid. This target is not cumulative.
Output 9: Businesses supported to promote alternative livelihoods and initiatives relating to the sustainable management of coastal and marine ecosystems	Number	0	2022	-	3	5	7	-	-	15	Implementation monitoring reports	Contributes to the CRF 2020-2023 indicator "Micro, small, and medium-sized enterprises financed."

Indicators	Unit of measure	Base-line	Base-line year	Year 1* 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6* 2028	End of project	Means of verification	Comments
Milestone 9.1. Women-led businesses supported	Number	0	2022	-	2	3	3	-	-	8	Implementation monitoring reports	Contributes to the CRF 2020-2023 indicator "Women beneficiaries of economic empowerment initiatives."
Component II. Institution-strengthening and public governance for integrated coastal zone management												
Output 10: ICZM regulatory instruments developed	Number	0	2022	-	-	3	3	-	-	6	Implementation monitoring reports	Details in required link 1.
Output 11: Strategic coastal planning instruments developed	Number	0	2022	-	-	5	6	5	-	16	Implementation monitoring reports	Details in required link 1.
Output 12: Coastal and marine monitoring system designed and implemented	Number	0	2022	-	-	-	-	1	-	1	Implementation monitoring reports	
Output 13: Awareness and education campaigns implemented on coastal/environmental and social topics	Number	0	2022	-	-	-	1	1	1	3	Implementation monitoring reports	Includes school education campaigns on the coastal and marine environment and raising awareness of socioenvironmental issues, aimed at schools, the tourism sector, and government and military entities, both nationally and locally.
Output 14: ICZM training plan designed and implemented with a gender lens	Number	0	2022	-	-	-	-	1	-	1	Implementation monitoring reports	50% of participants are expected to be women, and monitoring will be based on data disaggregated by sex.

* Part year.

Country: Dominican Republic **Division:** RND **Operation no.:** DR-L1154 **Year:** 02/16/2023

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Tourism (MITUR) of the Dominican Republic, acting through an ad hoc project coordination unit

Operation name: Sustainable Coastal Management Project

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input type="checkbox"/> Information system	<input type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Treasury		<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting		<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary capacity

Fiduciary capacity of the executing agency	<p>The results of an evaluation of MITUR (and the PCU), as executing agency, using the Institutional Capacity Assessment Platform (ICAP) indicate an acceptable level of financial and procurement management capacity, based on prior experience executing Bank loans,^[1] albeit through other execution units. Fiduciary risk (relating to human resources) is rated medium high due to possible difficulties in finding sufficient fiduciary and technical staff. The following mitigation measures are included: (i) ensure that PCU staff have been contracted with the relevant experience for the positions, in accordance with terms of reference agreed upon with the Bank; (ii) provide intensive training to PCU staff on management instruments, as well as close IDB supervision of progress, to identify obstacles and provide support for solutions; and (iii) commission supplemental technical assistance to support the PCU in managing the technical quality of outputs.</p> <p>^[1] Loans 2587/OC-DR and 3879/OC-DR.</p>
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¹ Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of validation by the Bank.

3. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk response
Human resources	Possible difficulties in finding sufficient fiduciary and technical staff	Medium-high	(i) Ensure that PCU staff have been contracted with the relevant experience for the positions, in accordance with terms of reference agreed upon with the Bank; (ii) provide intensive training to PCU staff on management instruments, as well as close IDB supervision of progress, to identify obstacles and provide support for solutions; and (iii) commission supplemental technical assistance to support the PCU in managing the technical quality of outputs.

4. Policies and guidelines applicable to the operation: Financial management: Financial Management Guidelines for IDB-Financed Projects (document OP-273-12); Disbursement: Audited Financial Reports and External Audit Management Handbook; 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).

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

<p>Special conditions precedent to the first disbursement: (i) An interagency agreement has been signed and entered into force between MITUR and the Ministry of Environment and Natural Resources (MMARN); (ii) the Project Technical Committee has been formed with representatives of both MITUR and MMARN; (iii) a project coordination unit (PCU) has been formed, and the PCU key staff have been appointed and/or contracted via a competitive process, in accordance with the terms of reference previously agreed upon with the Bank; and (iv) the project Operating Regulations have been approved, in accordance with the terms and conditions previously agreed upon with the Bank.</p>
<p>Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the exchange rate to be used will be the rate stipulated in Article 4.10(b)(ii). For the purpose of determining the equivalency of expenditures incurred in local currency chargeable against the local contribution, or of reimbursements of expenditures chargeable against the loan proceeds, the exchange rate will be the rate in effect on the effective date on which the borrower, the executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.</p>
<p>Type of audit: Annual audits will be delivered within 120 days after the end of each fiscal year, and a final audit will be delivered within 120 days after the date of last disbursement.</p>

III. PROCUREMENT EXECUTION AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Bidding documents	Works, goods, and nonconsulting services procured under the Bank's procurement policies (document GN-2349-9) and requiring international competitive bidding (ICB) will use the Bank's standard bidding documents or those agreed upon between the executing agency and the Bank for the specific procurement. Consulting services will be selected and contracted in accordance with the consultant selection policies (document GN-2350-15) using the standard request for proposals issued by the Bank or a request for proposals agreed upon between the executing agency and the Bank for the specific selection. The project sector specialist will be responsible for reviewing the technical specifications and terms of reference for procurements during the preparation of selection processes. This technical review may be ex ante and is independent of the procurement review method.
<input checked="" type="checkbox"/>	Procurement supervision	The supervision method will be ex post, except where ex ante supervision is justified. For procurements executed using the country system, supervision will be conducted using the country supervision system. Use of the (i) ex ante, (ii) ex post, or (iii) country system supervision method will be determined for each selection process based on the complexity of the specific process and the capacity level of the executing agency. The frequency of ex post reviews will be established in the project supervision plan, subject to change during execution.
<input checked="" type="checkbox"/>	Records and files	All documentation relating to bidding processes will be duly recorded and accessible for review.

Main procurements

Procurement description	Selection method	New procedures/ Tools	Estimated date	Estimated amount
Works				
Development of infrastructure at Playa Bonita and Playa Las Terrenas, including environmental and social management plan (ESMP) activities.	ICB		31/10/2025	22,447,202
Development of infrastructure at Playa Palenque, Playa Caribe, and Playa Punta Salinas, including ESMP activities.	NCB		03/03/2026	2,308,159

Procurement description	Selection method	New procedures/ Tools	Estimated date	Estimated amount
Development of infrastructure at 8 beaches on the eastern coast and other priority beaches (zone 1), including ESMP activities.	ICB		03/05/2024	13,112,511
Nonconsulting services				
Implementation of coastal and marine ecosystem restoration projects.	ICB		06/05/2024	3,000,000
Firms				
Technical assistance services for development of the coastal and marine monitoring system.	QCBS		10/20/2023	2,743,000
Technical assistance services for development of the legal, institutional, and regulatory framework for integrated coastal zone management, preparation coastal studies, and capacity-building.	QCBS		4/12/2024	2,490,000
Strengthening of businesses to support alternative livelihoods and initiatives relating to sustainable management of coastal and marine resources.	QCBS		11/3/2023	1,200,000
Implementation of the social and environmental management system at Playa Bonita, Playa Las Terrenas, Playa Palenque, Playa Caribe, and Playa Punta Salinas.	QCBS		03/09/2025	1,225,513
Supervision of infrastructure works at Playa Bonita, Playa Las Terrenas, Playa Palenque, Playa Caribe, and Playa Punta Salinas.	QCBS		5/16/2025	1,230,059
Preparation of preliminary studies for sand placement at Playa Bonita and Playa Las Terrenas.	QCBS		2/3/2023	869,267
Preparation of preliminary studies and final designs for coastal works at 8 beaches on the eastern coast and other priority beaches (zone 1).	QCBS		31/03/2023	1,311,385

To access the 18-month procurement plan, click [here](#).

Procedures	Justification of use.
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Framework agreements	To simplify and divide the bidding processes for the consulting firms into groups, consideration is being given to putting framework agreements in place with groups of consulting firms for certain project activities. A market study will be done, to establish the scope of such contracts and ensure that this mechanism represents value-added for the project and helps achieve value for money.
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IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	The annual budget is prepared by the Ministry of Finance through its Budget Department in coordination with the Ministry of Economy, Planning, and Development (MEPYD) and the other government agencies associated with the process. The executing agency will be responsible for project planning and budget management. The planning tools used will include those of the Bank (project execution plan, annual work plan, procurement plan, and financial plan).
<input checked="" type="checkbox"/>	Treasury and disbursement management	<p>Project cash flow programming will be consistent with the annual work plan and procurement plan, which will be subject to the Bank's no objection, and will cover a period of at least 12 months.</p> <p>The program will use a special U.S. dollar-denominated bank account in the project's name at the central bank, managed through a subaccount in the National Treasury Single Account.</p> <p>The currency for the operation will be U.S. dollars.</p> <p>The exchange rate to be used in the operation will be the effective exchange rate on the date of payment of each expenditure in local currency, as per option (b)(ii) of Article 4.10 of the General Conditions of the loan contract.</p> <p>The recommended disbursement modality for this operation will be primarily advance of funds. The advances of funds will be based on a financial plan for a period of six months, and up to 12 months, if the project so requires. The operation is expected to warrant a justification level of 80% of the accumulated balance pending justification.</p>
<input checked="" type="checkbox"/>	Accounting, information systems, and reporting	<p>The specific accounting rules to be followed will be the International Public Sector Accounting Standards (IPSAS). Accounting records for the operation will be kept on a cash basis using the module for execution units of projects with external financing (UEPEX) in the country's Integrated Financial Management System (SIGEF). All key project financial reports, including disbursement requests, will be generated directly from this system.</p> <p>The policies and guidelines applicable to the operation will be supplemented by the program Operating Regulations, which will document the roles, responsibilities, and internal controls stipulated in them.</p>

<input checked="" type="checkbox"/>	Internal control and audit	The Office of the Comptroller General of the Dominican Republic (CGRD) is responsible for the government internal audit function, supported in this task by internal audit units in each of the country's public administrative entities.
<input checked="" type="checkbox"/>	External control and reports	<p>The audited annual financial statements for the project will be delivered to the Bank within no more than 120 days after the close of each fiscal year of the executing agency, duly audited by an independent audit firm acceptable to the Bank. The final audited financial statements will be delivered within 120 days after the date of the last project disbursement.</p> <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, stipulating the type, timing, and scope of the audit review.</p> <p>The selected external auditor and the audit rules applied must be acceptable to the Bank. Program audited financial statements must be audited by a Bank-eligible firm. The type of audit and required auditor eligibility level may be adjusted over the course of the project, depending on the findings of the Bank's supervision.</p>
<input checked="" type="checkbox"/>	Financial supervision of the operation	Supervision will take the form of annual financial audits. Regular in situ and desk reviews will also be carried out (at least once per year), subject to change during execution. Supervision will consist of monitoring the implementation status of the recommended activities to build the capacity of the unit, the status of fiduciary arrangements, ex post reviews, inspection visits, and ongoing dialogue and communication with the executing agency.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/23

Dominican Republic. Loan ____/OC-DR to the Dominican Republic.
Sustainable Coastal Management Project

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 aimed at cooperating in the execution of the Sustainable Coastal Management Project. Such financing will be for the amount of up to US\$70.000.000, 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 _____ 2023)