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DOMINICAN REPUBLIC

PROGRAM TO SUPPORT MOBILITY, OVERLAND TRANSPORTATION, AND ROAD SAFETY IN THE DOMINICAN REPUBLIC II

(DR-L1140)

LOAN PROPOSAL

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ABBREVIATIONS

AFD	Agence française de développement [French Development Agency]
CODINTRANT	Consejo de Dirección del Instituto Nacional de Tránsito y Transporte Terrestre [Governing Board of the National Institute for Traffic and Overland Transportation]
CRF	Corporate Results Framework
DGII	Dirección General de Impuestos Internos [Internal Revenue Bureau]
DIGESETT	Dirección General de Seguridad de Tránsito y Transporte Terrestre [Traffic and Overland Transportation Safety Bureau]
ENEVIAL	Escuela Nacional de Educación Vial [National School for Road Safety Education]
GHG	Greenhouse gas
INTRANT	Instituto Nacional de Tránsito y Transporte Terrestre [National Institute for Traffic and Overland Transportation]
MOPC	Ministry of Public Works and Communications
NDC-DR	Nationally Determined Contribution of the Dominican Republic
OMSA	Oficina Metropolitana de Servicios de Autobuses [Metropolitan Bus Service Office]
OPSEVI	Observatorio Permanente de Seguridad Vial [Permanent Road Safety Observatory]
PBP	Programmatic policy-based loan
PENSV	Plan Estratégico Nacional de Seguridad Vial [National Strategic Plan for Road Safety]
SITP	Sistema Integrado de Transporte Público [Integrated Public Transportation System]
SOFR	Secured Overnight Financing Rate

PROJECT SUMMARY
DOMINICAN REPUBLIC
PROGRAM TO SUPPORT MOBILITY, LAND TRANSPORTATION, AND ROAD SAFETY IN THE DOMINICAN REPUBLIC II
(DR-L1140)

Financial Terms and Conditions				
Borrower			**Flexible Financing Facility**[a]	
Dominican Republic			**Amortization period:**	20 years
Executing agency			**Disbursement period:**	1 year
Ministry of Finance			**Grace period:**	5.1 years[b]
Instrument: Programmatic policy-based loan (PBP)			**Interest rate:**	SOFR-based
Source	**Amount (US$)**	**%**	**Credit fee:**	[c]
IDB (Ordinary Capital):	200 million	50	**Inspection and supervision fee:**	[c]
Cofinancing (French Development Agency): [d]	200 million	50	**Weighted average life:**	12.75 years
Total:	400 million	100	**Currency of approval:**	U.S. dollar

Project at a Glance

Program objective:
The program's general objective is to contribute to safer and more efficient overland transportation through reforms in three subsectors: (i) road safety; (ii) urban mobility; and (iii) road freight transportation. Its specific objectives are: (i) implementation of a robust, forward-looking policy framework as the foundation for sector planning; (ii) institutional strengthening of the competent entities; and (iii) development of planning tools for the adoption of new technical standards in the sector.
This is the second of two operations that are linked technically but financed separately, under the programmatic policy-based loan modality (document CS-3633-2).

Special contractual conditions precedent to the single disbursement of the loan proceeds: (i) fulfillment of the policy reform conditions established in the Policy Matrix (Annex II); (ii) entry into force of the loan contract between the French Development Agency (AFD) and the Dominican Republic, to ensure that the reforms can be fully instituted; and (iii) fulfillment of the other contractual conditions established in the loan contract (see paragraph 3.3).

Exceptions to Bank policies: None.

Strategic Alignment

Challenges:[e]	SI ☐		PI ☒		EI ☐		
Crosscutting themes:[f]	GE ☒ and DI ☒		CC ☒ and ES ☒		IC ☒		
Sustainable Development Goals:[g]	SDG1 ☐	SDG2 ☐	SDG3 ☒	SDG4 ☐	SDG5 ☒	SDG6 ☐	SDG7 ☐
	SDG8 ☒	SDG9 ☒	SDG10 ☒	SDG11 ☒	SDG12 ☒	SDG13 ☒	SDG14 ☐
	SDG15 ☐	SDG16 ☒	SDG17 ☐				

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

[d] Cofinancing is provided through a development policy loan from the French Development Agency (paragraph 2.27).

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

I. MACROECONOMIC FRAMEWORK AND DESCRIPTION OF INSTITUTIONAL/SECTOR PROBLEMS

A. Macroeconomic framework and outlook

1.1 **Background and macroeconomic considerations.** Between 2004 and 2019, the Dominican Republic recorded real economic growth averaging 5.6% per year, compared to 2.7% in Latin America and Caribbean as a whole. In 2020, in the wake of the crisis caused by the pandemic, the economy contracted by 6.7%, its greatest setback in 55 years; but it then staged one of the fastest recoveries in the region, posting 12.3% growth in 2021. Between 2016 and 2019 the country's consolidated fiscal balance averaged 4% of annual GDP, owing to sizable structural deficits in the electric power sector and central bank, compounded by the country's low tax revenue intake. The health crisis further undermined the fiscal accounts, generating a 16.2 percentage point increase in the debt, which grew to 56.6% of GDP in 2020 (69.2% on a consolidated basis). For 2022, a budget was approved with a nonfinancial public sector deficit of 3%; and growth is expected to be around 5%-5.5%, in a context of elevated external uncertainty, caused by the international crisis that is fueling high inflation rates.

1.2 **The transportation sector.** The transportation and storage activity[1] (8.3% of GDP in 2020) accounts for a large share of production and employment in the Dominican Republic, as a crosscutting pillar of all socioeconomic activities with a major impact on productivity and competitiveness indicators. The sector contributes about 7.1% of total employment nationwide, with overland transportation, in particular, having a major impact on economic growth, as the linchpin of connectivity between the country's economic hubs and market access. The pandemic imposed substantial losses on the sector—estimated at roughly US$350 million between January and September 2020 alone. The greatest impact was felt in public transit, where the monthly revenue loss for 2020 was estimated at around US$12.5 million (CRNA-IDB, 2021). In the case of freight logistics and transportation, in March the monthly revenue intake at the General Customs Directorate was down by US$26.4 million (-12.68%) from its year-earlier level.[2]

1.3 **Regulatory and institutional frameworks for the sector.** The first law applicable to the sector was enacted in 1967 (Law 241-67). However, this legislation lacked flexibility, and it failed to establish guidelines on growth and quality trends in transportation services. The adoption in 2017 of Law 63-17 on Mobility, Overland Transportation, Traffic, and Road Safety represents a turning point, by recognizing that the sector's activities constitute one of the country's main economic, social, and health problems. This law reorganized the sector, eliminated agencies, and centralized regulatory and oversight powers and functions under the National Institute for Traffic and Overland Transportation (INTRANT). This entity's main functions are to: (i) plan and design conditions for safe and efficient urban mobility; (ii) ensure free and fair competition and market transparency in the overland transportation sector; and (iii) establish regimes governing urban mobility services and road freight transportation (trucking), among others. Alongside this entity, Law 63-17 also created the Traffic and Overland Transportation Safety Bureau

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[1] Central Bank of the Dominican Republic (BCRD, 2007).

[2] General Customs Directorate (DGA, 2020).

(DIGESETT), tasked with traffic monitoring and enforcement; the National School for Road Safety Education (ENEVIAL), which is responsible for driver education; and the Governing Board of INTRANT (CODINTRANT), which has the power to approve technical regulations and submit them to the government (optional link 1).

B. Institutional and/or sector gaps and problems

1.4 **Road accident rate.** Official data published by the Permanent Road Safety Observatory (OPSEVI) report traffic accident mortality rates in the Dominican Republic of 30.9 per 100,000 inhabitants in 2019 and 25.9 per 100,000 inhabitants in 2020, equivalent to 3,204 and 2,711 deaths in each year, respectively. These figures far exceed both the worldwide average rate (18.2 deaths per 100,000 inhabitants) and the average for lower income countries in the hemisphere (18.3). This excess mortality rate costs the country 2.21% of annual GDP[3] and represents one of its main public health problems, especially affecting the highest productivity groups—young people ages 15 to 39, who account for 59.2% of the fatalities. In 2019 and 2020, 87.6% and 86.5% of traffic accident victims were men, predominantly motorcyclists (73.1% of the total).

1.5 **Urban public transportation.** Congestion in urban centers is estimated to cost the country about US$300 million per year; and in Santo Domingo alone it represents 0.7% of its GDP. The Government of the Dominican Republic is responsible for providing the following services: (i) public bus transportation, covering a fraction of the demand in the cities of Santo Domingo, Santiago, and Barahona, carrying an average of 1.7 million to 1.9 million passengers per month (2021); and (ii) the Santo Domingo metro and cable car system, run by the Transportation Reorganization Office (OPRET), which served a total of 71.5 million passengers in 2021. The rest of urban public transportation is supplied by the private sector,[4] through a service noted for its inefficiency and low quality (Latinobarómetro, 2021). In Greater Santo Domingo, vehicle traffic moves at speeds of between 8 km/h and 10 km/h in the peak period, with average travel times of 1 hour and 15 minutes, and an average daily cost for users of RD$55[5] (equivalent to US$1.10). These indicators reflect: (i) a service model based on shared vehicles known as "conchos"[6] and "guaguas" which do not follow a structured route; (ii) a low percentage of buses (less than 1%); (iii) intercity route terminals located in the city center; and (iv) a vehicle fleet with an average age of over 23 years.[7]

1.6 **Inefficiencies in overland goods transportation.** In the Dominican Republic, the cost of overland freight transportation for a 40-foot container, at US$4.75 per kilometer, is three times higher than the Mesoamerican average (US$1.21-US$1.85 per kilometer), which impairs the competitiveness of the logistics sector. Among the main causes are: (i) lack of competition in the market; (ii) a high proportion of empty trips; and (iii) substantial excess supply of vehicles, which

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[3] Includes indemnities, physical damage repair, medical expenses, and others (PENSV, 2017-2020).

[4] Groups of firms, unions, associations, and individuals.

[5] RD$ = Dominican pesos.

[6] Shared taxis (16,627 units) of low capacity that do not meet minimum technical and service quality standards.

[7] Sustainable Urban Mobility Plan, 2017-2022.

generates a low average annual mileage per vehicle (km/unit/year), with reported productivities of between 5,000 and 35,000 km/unit/year (IDB, 2015), compared to a regional average of 60,000 km/unit/year. Moreover, the average age of the vehicle fleet is 20.6 years, when the optimal replacement age for trucks is between 8 and13 years.[8] This results in higher operating costs and fuel consumption.

1.7 **Climate change and energy efficiency.** The transportation sector produces the second largest volume of greenhouse gas (GHG) emissions in the Dominican Republic (accounting for 22% of total emissions, compared to a regional average of 36%); and it is highly vulnerable to the effects of climate change. In December 2020, the country submitted its revised Nationally Determined Contribution (NDC-DR) to the United Nations Framework Convention on Climate Change (UNFCCC). This committed the country to reducing GHG emissions by 27% relative to the current baseline level, by 2030, through 11 mitigation options in transportation, requiring an investment estimated at US$8.9 billion. Although the country has some degree of institutional development, it needs to strengthen its policies and undertake strategic actions to speed up the transformation of the sector towards a resilient low-carbon mobility model, to fulfill its commitments under the Paris Agreement.

1.8 **Gender in urban mobility.** Women account for 11.8% of employment in the transportation and storage sector (213,487 jobs), and 0.26% (4,709 jobs) in the construction sector (IDB, 2019). As users of the Greater Santo Domingo transportation systems, women make 47% of all trips, where 21% are made on public transportation,[9] mostly related to work and school activity. Cases of harassment are reported on these routes.[10] The country lacks sector regulations with guidelines on preventing gender violence, incentives to promote a larger female share of employment in the sector, and a plan of action with systems for monitoring mobility patterns, broken down by gender.

1.9 **Accessibility and inclusion for persons with disabilities.** Of the Dominican Republic's total population, 708,597 or 7% have some type of disability, of whom 51.7% are men and 48.3% are women.[11] According to the Association of Persons with Physical and Motor Disabilities (ASODIFIMO), persons with disabilities spend 40% of their wages on transportation, because they are unable to access the public service. This leads to longer travel times and impairs road safety. Although the Dominican Republic has a regulatory framework that proclaims universal mobility, challenges persist in making this aspiration a reality. These include the need to promote: (i) transportation accessibility policies through specific regulations; (ii) the implementation of minimum accessibility standards in public transportation and surrounding urban spaces; and (iii) the development of programs to improve public transportation services for users with disabilities.

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8 CONPES 3759 of Colombia.

9 That is, 31% in formal public transportation (metro, cable car, and the Metropolitan Bus Services Office (OMSA)) and 41% in informal public transportation (shared vehicles known as "conchos" and "guaguas"). Sustainable Urban Mobility Plan.

10 According to the pilot survey on the status of women (ENESIM, 2018), 2.5% of Dominican women over 15 have experienced violence when using public transportation.

11 Multipurpose National Household Survey (ENHOGAR), 2014.

II. Reform Program, Objectives, Components, and Expected Results

A. Reform program

2.1 **Institutional and/or sector challenges and obstacles.** The Dominican Republic's 2030 National Development Strategy, which is based on international empirical evidence (paragraph 2.27), emphasizes that a successful transformation in the transportation sector requires the consolidation of efficient public institutions, and progress in reforming their respective legal frameworks. The adoption of Law 63-17 will entail addressing the gaps that currently limit the: (i) updating of legal and regulatory frameworks, as the basis for any public policy change process; (ii) strengthening of the institutions tasked with monitoring and oversight of the new regulations; and (iii) availability of planning tools to steer sector reform. For this reason, the Dominican government has prioritized the three transportation subsectors with the greatest impact on safety, productivity, and quality of life, which will be addressed via this reform program: road safety, urban mobility, and road freight transportation.

B. Road safety

2.2 Although the public policy actions implemented by INTRANT have tended to stabilize the number of road accident fatalities,[12] OPSEVI data show that the country still has challenges to address in this area. These include: (i) weaknesses in the application of control and surveillance regulations; (ii) a failure to enforce traffic regulations efficiently; (iii) incipient effectiveness of public policies and actions carried out under Law 63-17; (iv) the age of the vehicle fleet, of which 40.7% was manufactured in 2000 or earlier, according to the Internal Revenue Bureau (DGII, 2021); and (v) 57% of active drivers (2016) did not have a driver's license; and only 8,349 motorcycle users[13] had valid licenses, when the total number of motorcycles was more than two million.

2.3 **Regulatory framework.** Although the country now has a roadmap, laid out in the National Strategic Plan for Road Safety (PENSV) 2021-2023, progress needs to be made on modernizing regulations on issuing licenses, obtaining driver psychological and physical certificates, and authorizing schools that promote safe driving. Mechanisms must also be designed for systematic vehicle inspection, adapted to the characteristics of the national vehicle fleet and the need to promote its periodic renewal. In this context, to make a positive impact on reducing accidents and congestion, the country needs to adopt measures including: (i) the issuance of regulations and norms that specify technical and energy-efficiency standards for the operation of private and public vehicles; (ii) the improvement of control processes, by setting up inspection centers, and the authorization of repair shops that can keep cars in better running condition and serve as a source of information for assembling an official registry of vehicles in circulation; (iii) the organization of public transit by transforming informal services through appropriate regulation and operational arrangements; and (iv) the approval of regulations and standards on the use of other non-motorized modes of transportation.

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[12] Number of fatalities—2016: 3,118; 2017: 2,804; 2018: 3,006; 2019: 3,204; and 2020: 2,711.

[13] That is 0.66% of the total number of valid driver's licenses issued.

2.4 **Institutional framework.** Following the creation of INTRANT, OPSEVI was designed to establish data collection protocols, analysis techniques, and monitoring mechanisms, and to consolidate[14] and standardize accident statistics. Strengthening of this institution is crucial, to be able to analyze the causes of accidents, formulate policies to counteract their consequences, and enable the Ministry of Public Works and Communications (MOPC) to identify and intervene at critical points on the road network.

2.5 **Planning tools.** The National Strategic Plan for Road Safety (PENSV) was reformulated in 2021 with a 2030 horizon, to serve as a planning tool in coordinating and implementing policies for the prevention and reduction of traffic fatalities, targeting a 50% reduction by the end of the decade. Achieving this requires progress in the following, among other actions: (i) effective implementation of the priority actions defined in the plan; (ii) strengthening of communication and dissemination processes; (iii) engagement of the private sector to promote comprehensive safe mobility; (iv) implementation of safe school environments; (v) strengthening of educational curricula on road safety; and (vi) the design of safe infrastructure, by separating different transportation modes according to their level of vulnerability, inclusion of containment and energy absorption systems; and the improvement of geometric parameters at road intersections.

C. Urban mobility

2.6 The major urban mobility challenges are concentrated in Greater Santo Domingo and Santiago. In the former,[15] about 3,097,106 trips are made, of which 39% are by public transportation,[16] 40% by private transportation, 20% on foot, and just 1% by bicycle. In Santiago, 40% of trips are made by various types of collective transportation (bus, “concho,” “motoconcho” and “guaguas”), 31% by private vehicle, 21.8% on foot, 2% by Uber or taxi, 5% by other type of vehicles and only 0.2% by bicycle. In both cities, the informal “concho” system accounts for nearly 80% of the supply of public service vehicles (paragraph 1.5). In terms of nonmotorized modes of transportation, the Dominican Republic does not yet have a consolidated network for pedestrian and bicycle traffic. Moreover, most municípios do not have territorial planning instruments or mobility plans. This hinders the adoption of policies to promote efficient land use, aimed at encouraging the use of active transportation.

2.7 **Regulatory framework.** Law 63-17 states the need for a reorganization of the urban mobility system, supported by regulations that address the problems surrounding public transportation, by defining: (i) a fare schedule based on affordability that ensures the sustainability of the public transportation system through an interoperability and intermodality approach; (ii) the requirements and conditions for issuing operating licenses for the many private service providers who operate outside the formal system; (iii) registering public transportation providers

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[14] The National Emergency Response and Safety System (911) and the Ministry of Health provide data to OPSEVI.

[15] Systra, 2018.

[16] Of the total, 31% corresponds to mass transit (metro, cable car, and OMSA buses) and the rest (69%) to informal collective transportation.

as a step toward formalizing their businesses; and (iv) new criteria for service quality and technical standards, as well as for energy efficiency, which promote processes for modernizing bus, taxi, school, business, and tourist transportation fleets.

2.8 **Institutional framework.** The creation of INTRANT and its supporting agencies (ENEVIAL and DIGESETT) entailed a structural turnaround in the institutional management of the sector. Nonetheless, greater impetus and ambition is needed to make progress on strategic issues, such as fulfillment of the country's environmental commitments on climate change mitigation (optional link 3). The incorporation of electromobility, and planning for its adoption, should form the basis for a strategy that envisages the introduction and dissemination of new modes of transportation, alternative energy sources, and vehicle fleet renewal.

2.9 **Planning tools.** The Dominican Republic has been making headway in the design of strategic plans (IDB, 2019) to transform mobility in the main population centers. The challenge is to achieve an adequate implementation of the Sustainable Urban Mobility Plan (PMUS) and the projects of the Integrated Public Transportation System (SITP), through the reorganization of routes, new commercial arrangements, and service quality standards, encouraging the incorporation of clean technologies and demand management mechanisms, in order to discourage the use of private vehicles and promote public transit and active modes of transportation. Increasing digitalization of the sector is also essential, including: (i) an interoperable electronic payment system that integrates public and private operators' fares, which will reduce the average trip cost; and (ii) platforms for data analysis and dynamic monitoring of key sector planning variables (mobility observatory).

D. Road freight transportation

2.10 The industrial organization of this subsector is based on trade unions, with adverse effects such as a fragmented business structure, excess supply of vehicles,[17] obsolescence of the vehicle fleet, and low levels of operational efficiency and technological innovation. Access to the transportation market is not regulated at the national level, and unions control close to 80% of truckable freight in the country. The Dominican National Transportation Federation (FENATRADO),[18] plays a dominant role, with practices such as market sharing, allocation of quotas, controlled access of freight vehicles to origin and destination hubs, as well as the unilateral fixing of trucking prices.

2.11 **Regulatory framework.**[19] The informal context of this subsector has facilitated the development of market distortions owing to the lack of technical and economic regulation, restricting the access of new operators, and limiting the transportation of goods through its own fleet. This has led to high transportation costs in the foreign trade chain. Another relevant factor is the lack of policies and programs targeted to urban, mainly last-mile, logistics,[20] where there are no specific rules for

[17] There were 477,365 units in 2021.

[18] The federation has 35,000 members, including owners and drivers, who operate 26,000 freight trucks.

[19] The government regulated road freight transportation prices until 1990. Since then, unions have set route rates under oligopolistic conditions.

[20] Transportation of goods from the distribution center to the final destination (customer or point of sale).

the distribution and undertaking of loading-unloading tasks (schedules and location). There is also a lack of control and supervision of operations carried out on the public highway and the presence of freight vehicles during peak periods, contributing to traffic congestion.

2.12 **Institutional framework.** To enhance the regulation of trucking activities, INTRANT must consolidate its position as the regulatory authority, leading an ongoing dialogue with unions and establishing collaborative agreements with all stakeholders in the logistics chain. This will entail working with actors involved in the operation of centers of production and consumption, trade facilitation processes, and connectivity of land transportation with ports and airports.

2.13 **Planning tools for road freight transportation.** To make sure business formalization and digitalization processes in the trucking sector are adopted efficiently and gradually, it is crucial to work in parallel on pilot projects, as a way to identify risks early on and provide a platform for determining, together with the unions, the steps for adopting new rules and technologies. In this regard, key activities include the development of more and better data related to fleet registration, technological platforms for benchmarking transportation costs, or pilot logistics corridors in Greater Santo Domingo, as a demonstration effect.

2.14 **Program strategy.** In the first operation of the program (loan 4914/OC-DR), from 2017 to 2019 the government made progress under Law 63-17 in establishing the sector's regulatory and institutional framework (paragraphs 1.4 to 1.9). In terms of road safety and based on the pillars of the PENSV, it was possible to stabilize the number of fatalities in the period 2017-2020 and reduce the level of underreporting by 36% between 2019 and 2021. Progress was made specifically in terms of the following: (i) the development of regulations for obtaining driver's licenses and the setting of standards and conditions for vehicle technical inspection; (ii) the consolidation of an institutional framework with analytical and monitoring capacity; and (iii) the approval of work plans that specify surveillance and control actions. On urban mobility, progress was made through: (i) the development of a regulation for public transportation, which defines central elements for its reorganization and integration under resilient, low-carbon urban mobility criteria; (ii) the creation of financial mechanisms for vehicle fleet renewal that encourage the incorporation of clean technologies; and (iii) approval of the Greater Santo Domingo Strategic Mobility Plan and its implementation, launching the design and operation of a pilot SITP corridor with 26 new buses. In relation to trucking, progress was made through: (i) the drafting of a regulation that formalizes the registration of operators and the vehicle fleet, with a view to encouraging free competition; and (ii) the development of a pilot program for estimating overland transportation costs.

2.15 This second operation,[21] which continues the efforts made in executing the first operation, shifted the focus in 2020 to putting into practice the legal and institutional instruments that support the sector's reforms, while also implementing actions to reinforce the development of this new public policy. On road safety: (i) issuance of technical regulations derived from the vehicle technical inspection and points-based driver's license regulations; (ii) approval of the regulations for

[21] Initially programmed for 2020, it was reprogrammed based on the government's priorities, as a result of the needs that arose from the health emergency.

motorcycles, bicycles, and other personal mobility vehicles; (iii) strengthening and operation of OPSEVI and the Technical Accident Investigation Units; and (iv) implementation of PENSV strategic actions such as the implementation of the Safe School Environments Program or actions under the Safe Pedestrian Plan. On urban mobility: (i) approval of regulations for public transit, special transportation, and the electromobility strategy through the structuring of pilot projects; (ii) progress in the processes of business formalization, operation, and fleet renewal of SITP corridors with an interoperable electronic fare collection system; and (iii) development of mobility plans in intermediate cities. On road freight transportation: (i) approval of the freight transportation regulations; (ii) implementation of a technological platform for estimating benchmark transportation costs; and (iii) development of an efficient logistics corridors pilot.

2.16 **Actions to support gender equity and diversity in the sector.** The program includes: (i) specific provisions in the sector regulations on prevention of violence against women, and on gender equity and universal accessibility for persons with disabilities; (ii) approval of an action plan with guidelines for gender mainstreaming in the Sustainable Urban Mobility Plan of Greater Santo Domingo, and incorporation of the Transport Gender Lab in regional benchmarking; and (iii) the holding of workshops for public and private SITP operators, including actions to promote female employment inclusion, as well as the differential gender perspective in service delivery; mechanisms for measuring and monitoring gender and diversity data with specialized staff in INTRANT's new sustainable urban mobility observatory; implementation of the Trip Maps methodology related to accessibility and inclusion of persons with disabilities in public transportation (IDB, 2020); implementation of inclusion best practices[22] in the public space, such as the upgrading of universal accessibility at road intersections and pedestrian traffic lights, with sound devices for sight impaired persons; and the improvement of universal accessibility of the bus fleet of public and private operators,[23] including training for drivers on awareness and user service.

2.17 **Climate change actions.** The program supports activities to mitigate GHG emissions (optional link 3) universally aligned with the Paris Agreement in accordance with the multilateral development banks' joint methodology (paragraph 2.40). These include: (i) sector regulation with incentives for fleet renewal and energy efficiency; (ii) implementation of new mass transit corridors and active mobility; and (iii) technological tools to improve planning and management of people and freight mobility. These include specific mitigation measures to address a potential climate transition risk in road freight transportation, owing to the sector's heavy reliance on fossil fuels. This would anticipate future climate change policies such as carbon taxes, adopting measures such as: (i) an analysis of benchmark transportation costs that consider sensitivity scenarios in the face of volatility in fossil fuel prices; and (ii) linkage between Component IV in respect of road freight transportation (paragraph 2.10) and the policies and plans for technological upgrading and electromobility (paragraph 2.33).

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[22] Good Practices Seal 2020, awarded to INTRANT by the National Disability Council.

[23] The number of buses satisfying universal accessibility criteria in the Greater Santo Domingo SITP increased by 104 between 2018 and 2022.

2.18 **Innovation and technology actions.** The program supports policy measures that promote digitalization and the use of new technologies to enhance effectiveness, transparency, and efficiency in the delivery of public passenger and freight transportation services. These include: virtual reality simulators, as part of the road safety and eco-driving training process for obtaining driver's licenses for light and freight vehicles; a technical, commercial and institutional interoperability model for the electronic fare collection ecosystem[24] in public transportation in the Dominican Republic; structuring of pilot projects for electromobility, targeting renewal of the urban bus fleet; urban mobility observatory using information technologies; online platform (CORTRAM 2.0) for calculating reference costs of freight transportation between the country's main origins and destinations; and a National Registry platform for motorcycles and freight vehicles.

2.19 **Institutional capacity and rule of law actions.** One of the pillars of the sector transformation promoted by the program involves strengthening of the institutional framework, with INTRANT as the main player (paragraph 2.4). To this end, the consolidation of a robust institutional structure capable of responding to the needs of the sector is promoted through the creation and proper functioning of the Departments of Sustainable Mobility; Overland Passenger Transportation; Traffic and Roads; and Overland Freight Transportation, among other entities. These are tasked with directing, coordinating, and promoting policies and projects aimed at delivering efficient and quality services.

2.20 **Job creation.** As part of its economic reactivation strategy for the coming years, and in line with the Sustainable Urban Mobility Plan of Greater Santo Domingo and Santiago, the National Infrastructure Plan and the lines of action specified in the NDC-DR, the Dominican government has prioritized the implementation of projects and strategies that promote sustainable mobility and will generate direct benefits by creating formal, quality employment. The foregoing will involve a strengthened regulatory and institutional framework with an inclusive approach supported by this program.

2.21 **The country's sector strategy.** The key objectives of the National Development Strategy include "improving the quality of transportation services through a regulatory and institutional framework that guarantees a quality, orderly, safe, and environmentally sustainable passenger and freight transportation system, operating under competitive conditions, in order to ease the burden of transportation costs on family budgets and businesses." The National Competitiveness Strategy aligns with these guidelines, promoting reforms aimed at transforming the model for the delivery of transportation services in SITP corridors nationwide. Lastly, in the Bank-supported Recovery Needs Assessment for the Impacts of COVID-19 (Government of the Dominican Republic, 2021), pillar 7.3 on sustainable economic recovery highlights the reactivation of urban mobility as a key factor, especially for women and vulnerable groups.

2.22 **The Bank's experience in the sector.** The Bank provides significant technical cooperation (paragraph 2.23) in the sector, facilitating dialogue and best practices in the preparation and execution of transportation infrastructure investment

[24] Internationally recognized at the 20th meeting of the Spanish Congress on Intelligent Transportation Systems, 2020.

programs in the Dominican Republic. This support includes the following: (i) the Road Infrastructure Maintenance and Rehabilitation Program (loan 5504/OC-DR, 2022); (ii) the Manzanillo Port Rehabilitation and Expansion Program (loan 5282/OC-DR, 2021); and (iii) the Sustainable Agroforestry Development Program (loan 4553/OC-DR, 2019); the latter two are currently in execution. This program is complementary in that it consolidates the regulatory underpinnings and supports sector planning aimed at improving the services provided by the respective infrastructure, while minimizing its externalities in terms of road safety, vehicle congestion, and GHG emissions. In the region as a whole, the Bank has worked on 13 transportation policy reform programs, including the first operation in this programmatic series.

2.23 **Technical cooperation.** The following technical cooperation programs have contributed to the design and implementation of the regulatory, institutional, and planning reforms contained in this program: operational support technical cooperation, "Support for the Development of the Mobility, Land Transportation, and Road Safety Reform Program" (ATN/OC-18636-DR), for US$300,000, which is currently in execution; client support technical cooperation, "Strategic Support for Santo Domingo's Urban Mobility Transformation Plan" (ATN/OC-16791-DR), for US$500,000, which is fully executed and supported the first operation in this program; and client support technical cooperation, "Support for the Implementation of an Interoperable Electronic Collection System" (ATN/OC-17580-DR) for US$285,000, which is fully executed. These technical cooperation programs support mitigation of the risks that have been identified; and they complement the support provided by AFD/European Union, by providing grant funding from the Caribbean Investment Facility (CIF) in the amount of €10 million for implementing the Sustainable Urban Mobility Plan in Santo Domingo.

2.24 **Lessons learned.** The Bank's sector experience, both in the Dominican Republic and elsewhere in the region (Panama, Colombia), yielded the following lessons learned: (i) have up-to-date and specific regulatory instruments for the sector; (ii) have an interagency coordinator at the highest level of government; (iii) design integrated planning tools that draw on up-to-date and modern databases; (iv) promote dialogue with the private sector as a key factor for the sustainability of the reforms; and (v) prioritize the implementation of sector plans with sustained support from technical cooperation resources supplementing the public budget, to take action and measure results in the medium and long terms. This programmatic series makes it possible to consolidate these lessons, which were addressed in its design with continuous support from the Bank and AFD during the technical conceptualization of these six measures under the second operation, by: (i) strengthening and consolidating INTRANT and its road safety and mobility observatories; (ii) effectively and gradually implementing Sustainable Urban Mobility Plan projects on SITP corridors and active mobility; (iii) adopting related guidelines in approved sector regulations, such as the points-based licensing system, road safety work plans or safe school environments; and (iv) formulating technological tools to improve data analysis and sector planning; among other actions.

2.25 **Effectiveness of the reforms.** In the area of road safety, studies have shown[25] that having a single coordinating agency and a national strategy that includes ministries and civil society is critical for a sustainable response to this problem. In the area of urban mobility, adjustments to the regulations governing public transit have resulted in an increase in travel speed for riders.[26] For road freight transportation, different analyses[27] indicate that institutional reforms correlate positively with economic growth and foreign direct investment.

2.26 **Rationale.** These policy reforms represent a milestone in the transformation of transportation within the framework of the government's sector strategy (paragraph 2.21) and Law 63-17. They seek to improve productivity, safety, and competitiveness indicators by generating the regulatory and normative bases for the provision of better infrastructure services, in line with the agenda introduced by the 2020 Development in the Americas Report: From Structure to Services,[28] promoting more efficient, inclusive, and sustainable transportation services. Specifically, the program addresses the country's main shortcomings in terms of road accidents and inefficiencies in public transportation and trucking (paragraphs 1.4 to 1.9). It lays foundations for the sector's regulatory and institutional framework and implements it through new management instruments, planning and technological tools, with additionality in the crosscutting themes of Institutional Capacity and Rule of Law (paragraph 2.19), Climate Change (paragraph 2.17), and Gender and Diversity (paragraph 2.16).

2.27 **Coordination with multilateral agencies and/or other donors.** As was the case with the first program in the series, this operation and technical support to the government is implemented in coordination with AFD. Cofinancing is governed by the framework agreement under the parallel cofinancing without services modality. This involves the signing of a specific cooperation agreement for this second operation and will include the following operational implications: coordinated design of a single policy matrix and fulfillment of its conditions; independent preparation of loan contracts; simultaneous submittal to the National Congress for approval; and eligibility for disbursement based on entry into force of each cofinancier's respective loan contract; and joint monitoring and supervision.

E. Objectives, components, and expected results

2.28 **General and specific objectives.** The program's general objective is to contribute to safer and more efficient overland transportation through reforms in three subsectors: (i) road safety; (ii) urban mobility; and (iii) road freight transportation. Its specific objectives are: (i) implementation of a robust, forward-looking policy framework as the foundation for sector planning; (ii) institutional strengthening of the competent entities; and (iii) development of planning tools for the adoption of new technical standards in the sector.

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25 World Bank, 2009

26 Ministry of Transportation of Colombia, 2015.

27 Fung, 2005.

28 IDB, 2020.

2.29 **Components.** The Policy Matrix sets out the sequence of program commitments, structured under the following components. Adjustments made to the Policy Matrix do not affect achievement of the objectives for the series.

2.30 **Component I. Macroeconomic stability.** The objective of this component is to ensure a stable macroeconomic framework consistent with the program's objectives, as stated in the Policy Matrix and Sector Policy Letter.

2.31 **Component II. Road safety as a pillar of sector development.** The objective of this component is to prioritize road safety as a pillar of sector development, in terms of its legal, regulatory, and institutional framework and planning tools. Following up on the reforms implemented during the first operation, this second operation will support the following: (2.1.1.1) the issuance by INTRANT of at least three technical standards based on the regulations on vehicle technical inspection, which include energy efficiency criteria; (2.1.1.2) start of the concession process for vehicle technical inspection stations, as established in the vehicle technical inspection regulations, to guarantee the maintenance, safety conditions, and energy efficiency of the vehicle fleet; (2.1.2.1) the issuance of technical standards derived from the regulations, on driver schools, highway training and education, with criteria for efficient driving, psychological and physical medical certificates for drivers and authorized medical centers and driver's licenses; (2.1.2.2) the operation of at least two driver licensing centers in accordance with the approved regulations on driver licensing and highway training and education, which promote efficient driving practices and better supervision; (2.1.2.3) the authorization of at least one driving school in accordance with applicable regulations, aimed at improving highway behavior and promoting efficient driving; (2.1.2.4) progress in implementing the driver's license point system, through the approval of two technical standards, technological information systems, medical inspection centers and a cross-sector coordination working group, pursuant to the requirements established in the approved regulations; (2.1.3) approval of the Regulations on Transportation on Motorcycles, Bicycles, and other Personal Mobility Vehicles, defining the general rules of circulation, the use of these modes for the provision of services, and minimum standards for the use of helmets, among other issues; specific provisions on: gender equity and the prevention of violence against women; universal accessibility for persons with disabilities; technological upgrading and user safety; (2.2.1) implementation of at least five actions of the work plan for supervision and control to reinforce changes in driver behavior and ensure coordination between INTRANT as the regulatory entity and DIGESETT as the supervisor; (2.2.2.1) strengthening OPSEVI's data collection and analysis and public policy-making capacities, incorporating information from INTRANT and the 911 National Emergency System, which will make it possible to improve victim care; (2.2.2.2) strengthening of the functions of OPSEVI as an advisory body to the central government and municipalities on road safety policy; (2.2.2.3) progress in implementing at least five actions of the Action Plan approved for intervention on critical points selected by INTRANT and the MOPC; (2.2.3) submission to OPSEVI of data on traffic accidents and their handling by the Technical Investigation Units, to help determine the causes and effects of traffic accidents and reinforce prevention mechanisms; (2.3.1) implementation of at least 10 priority actions defined in the PENSV, including at least two that contribute to reducing GHG emissions; (2.3.2) progress in implementing at least five actions of

the approved communication work plan to generate awareness of PENSV actions; (2.3.3.1) approval of the Regulations on Occupational Road Safety and Mobility Plans to be developed by companies, public administrations, and other organizations, to promote safe, healthy, and environmentally friendly mobility habits; (2.3.3.2) development of at least two pilot work-related road safety and mobility plans, including guidelines for nonmotorized and shared modes of transportation; (2.3.4) implementation of actions under the cooperation framework agreement between INTRANT and the Ministry of Education by including road safety education in public school curricula; (2.3.5) implementation of at least five priority actions defined in the National Strategic Plan for Motorcycle Road Safety; and (2.3.6) development of a methodology and implementation of the Safe School Environments Program, aimed at guaranteeing safe mobility in the school environment nationwide.

2.32 In preparing this operation, the triggers identified in the first operation have been maintained and are included as policy conditions for this second operation. Adjustments have been made to the wording of conditions (2.1.1.2), (2.1.2.1), (2.1.2.2), (2.1.2.3), (2.1.2.4), (2.2.1), (2.2.2.1), (2.2.3), (2.3.1), (2.3.2), (2.3.3.2), and (2.3.4) to provide greater clarity as to the results expected from the reform and/or to provide further details on the scope of each one. In addition, conditions (2.1.3), (2.2.2.2), and (2.3.3.1) reflect the fact that greater progress has been made than expected, since the regulations for Transportation on Motorcycles, Bicycles, and other Personal Mobility Vehicles, and Work-related Road Safety and Mobility Plans have been approved. Lastly, another condition was added (2.3.6), taking into account the importance of the Safe School Environments strategy as a mechanism to guarantee safe mobility in the country's schools (required link 3).

2.33 **Component III. Accessible, affordable, and efficient urban mobility.** The objective of this component is to contribute to consolidating an efficient, safe, innovative urban mobility sector by improving the quality of urban and intercity transit services. To make progress in this consolidation, the second operation specifically supports the following: (3.1.1.1) approval of the regulations of the urban public overland transit service, which, in addition to the issues mentioned in the first operation's preliminary draft law, include specific provisions on the following: gender equity and the prevention of violence against women; universal accessibility for persons with disabilities; and technological upgrading in fleet renewal, which contributes to reducing GHG emissions; (3.1.1.2) progress in developing a fare structuring methodology for public transit that potentially includes systems for integration with other modes of transportation, based on the results of a corridor pilot project; (3.1.1.3) development of a technical, commercial, and institutional interoperability model for electronic fare collection for public transportation in Greater Santo Domingo; (3.1.2) progress in the process of issuing operating permits for the routes established under Law 63-17, to public transit service providers that have been established as a business or other type of legal entity, as evidence of implementation of the Social Management Plan; (3.1.3) progress in the passenger and freight vehicle renewal process, providing incentives for a clean or low-carbon technology fleet; (3.1.4.1) approval of regulations for school transportation, tourist transportation and private transportation of workers, including specific provisions on the following: gender equity and the prevention of violence against women; universal accessibility for

persons with disabilities; and technological upgrading in fleet renewal, which contributes to reducing GHG emissions; (3.1.4.2) approval of the regulations on school transportation licensing procedures and guidelines for operator registration; (3.2) progress in the normative, institutional, and regulatory development related to electromobility, including incentives for the deployment of alternative energy vehicles in public transportation, under the Interagency Cooperation Agreement signed between INTRANT and the Ministry of Energy and Mines (MEM); (3.3.1) progress in transforming and effectively formalizing the operation of at least three public transportation corridors identified in the SITP, in the framework of Law 63-17; (3.3.2) preparation of at least two local strategic mobility plans based on the approved guidelines, including guidelines on urban planning, urban land use management that promotes transit-oriented development, universal accessibility for persons with disabilities, energy efficiency and GHG reduction; (3.3.3) implementation of at least five priority actions defined in the Sustainable Urban Mobility Plan of Greater Santo Domingo, including climate change mitigation objectives and promotion of active modes; (3.3.4) implementation of at least two medium-term priority actions defined in the Safe Pedestrian Plan; (3.3.5.1) progress in developing gender and diversity plans and implementing actions to improve inclusion in public transportation services; and (3.3.5.2) design of a sustainable urban mobility observatory, with a mission to measure and monitor the implementation of mobility policies, using information technologies and incorporating indicators of gender, diversity, GHG emissions reduction, and travel/trip data for urban planning.

2.34 In preparing this operation, most of the triggers identified in the first operation have been maintained and are included as policy conditions for this second operation. Adjustments have been made to conditions (3.1.1.1), (3.1.4.1), and (3.3.5.1) to reflect progress in excess of expectations, since they proposed to gain approval for the regulations, and to promote and implement actions on crosscutting issues such as gender, inclusion, energy efficiency, and others. Conditions (3.1.4.2), (3.2), (3.3.2), and (3.3.5.2) reflect adjustments to provide greater clarity on the results expected from the reform and/or provide further details on their scope. Condition (3.2.1) relating to the Departments of Sustainable Mobility, Overland Passenger Transportation, and Traffic and Roads was eliminated and merged with (4.2.1), because it refers to the same institutional adjustment within INTRANT; while (3.3.1) was reformulated in view of the government's decision not to hold a tender for the new public transportation corridors, but to launch a transformation and formalization process with the existing operators. These changes make it possible to achieve the objectives originally set with the two operations in the programmatic series (required link 3).

2.35 **Component IV. Efficient and sustainable road freight transportation.** The objective of this component is to contribute to improving the quality of freight trucking services by strengthening their legal and regulatory framework, institutions, and planning tools. The second operation complements the actions carried out in the first operation through the following: (4.1.1) approval of the trucking regulations which, in addition to the central aspects included in the preliminary draft of the law in the first operation, include energy efficiency and eco-driving provisions; (4.1.2) preparation of a baseline study to define the reference cost structure for freight trucking, highlighting vulnerability to fossil fuel prices and

evaluating the benefits of low-emission transportation technologies; (4.1.3) development of an online platform for calculating benchmark trucking costs between the country's main origins and destinations; (4.2.1) operation of the Departments of Sustainable Mobility, Overland Passenger Transportation, Traffic and Roads, and Road Freight Transportation; (4.2.2) progress on publicizing public policies on maritime, port, and overland transportation with the interagency technical working group, including the proposal to develop the business formalization and efficient logistics corridors pilot; and (4.2.3) implementation of a pilot business formalization project for overland freight transportation operations, focusing on the design of a reference information system for estimating freight logistics and trucking costs, which promotes vehicle utilization and reduces the number of empty trips; (4.2.4) progress in implementing a pilot project for efficient logistics corridors, reducing heavy vehicle traffic in Santo Domingo; and (4.2.5) implementation of the National Freight Vehicles Registry, with a view to characterizing the national freight vehicle fleet.

2.36 In terms of the triggers identified in the Policy Matrix for the first operation in the programmatic series, conditions (4.1.2), (4.1.3), (4.2.2), and (4.2.3) are maintained, with adjustments to the wording to provide greater detail on their scope. Condition (4.1.1) reflects the fact that greater progress has been made than initially expected, with the proposed regulation being put forward for approval; while condition (4.2.1) was amended to merge with (4.3.1) (paragraph 2.34). Two new conditions (4.2.4) and (4.2.5) are included on specific actions to promote efficiency and supervision in trucking activities (required link 3).

2.37 **Key result indicators.** The program's key expected impacts are a reduction in traffic accidents, a reduction in polluting emissions resulting from changes in the vehicle fleet, increased use of public transportation, as well as an increase in trucking productivity. The main outcomes include: (i) an increase in the percentage of drivers with licenses issued under the new system; (ii) an increase in the number of vehicles that meet mechanical/technical inspection requirements; (iii) an improvement in user perceptions of mobility conditions in the main urban centers; (iv) an increase in the number of transportation companies (public transit and trucking) that take steps toward formalization; and (v) a gradual increase in the percentage of the vehicle fleet (public transit and trucking) that has been renewed.

2.38 **Program beneficiaries.** Improvements in regulatory processes, sector planning, and institutional management will have an impact on productivity and quality of life, making transportation services safer and more cost-efficient. The program will thus benefit society at large, by promoting road safety policies aimed at reducing accident and mortality rates. The providers of public transportation services will have decent jobs, and users will have an accessible, affordable, and inclusive service; and in the case of freight trucking, the benefits will go to companies in the logistics, production, and trade sectors, through more efficient movement of goods with positive impacts on transportation costs.

2.39 **Sustainability and pending challenges.** The Dominican government has provided unwavering support to this programmatic series, adding institutional actions that reinforce its commitment to the sector reforms. The program's sustainability is underpinned by: (i) the approval of regulations and norms derived from Law 63-17, which provides a comprehensive and modern sector framework

for addressing the challenges of the transportation sector; (ii) the consolidation of INTRANT as the lead entity responsible for the regulation, planning and implementation of the reforms; and (iii) the structuring of the Transportation Office and creation of the Urban and Interurban Mobility Project Development Office, supported by Bank and AFD technical assistance programs. To achieve the proposed medium-term impacts, greater investment will be needed for comprehensive implementation of the actions of: (i) PENSV 2021-2030, in terms of greater supervision and control; widespread implementation of Safe School Environments, attention to critical points, and regional communication and awareness campaigns; and (ii) the Sustainable Urban Mobility Plan for the design and implementation of SITP public transportation projects; transformation of trucking companies and renewal of the vehicle fleet towards clean technologies, among others. International organizations such as the IDB, AFD, and the World Bank have shown interest in supporting these plans.

2.40 **Strategic alignment.** The program is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and aligns with the development challenge of Productivity and Innovation, through its focus on providing safe and affordable public services and promoting new technologies such as electromobility (paragraph 2.17). It is also aligned with the crosscutting themes of: (i) Climate Change and Environmental Sustainability, by: (a) contributing to reducing GHG emissions with new sector regulations that include energy-efficiency commitments; and (b) promoting sector plans that address mitigation (fleet renewal) by implementing new mass transit and electromobility projects (paragraph 2.33); (ii) Institutional Capacity and Rule of Law, by promoting reforms that strengthen the capacities of sector institutions in supervision, planning, and sector regulation aimed at improving their efficiency and transparency; and (iii) Gender and Diversity, by formalizing attention to these themes in the organizational structure and proposing sector guidelines and inclusive institutional policies for both women and persons with disabilities. The program will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12), through the indicators of "Countries with strengthened gender equality and diversity policy frameworks" and "Agencies with strengthened digital technology and managerial capacity". Of the operation's total resources, 68.29% are associated with policies that promote climate change mitigation activities, according to the joint multilateral development bank (MDB) methodology for estimating climate finance. These resources contribute to the Bank's target of increasing financing for climate change-related projects to 30% of operational approvals by 2022. In addition, the program aligns with the following aims of the Paris Agreement: (i) mitigation, by supporting the transition to decarbonization pathways in urban and freight transportation without creating substantial challenges in terms of emission commitments; and (ii) adaptation, by eschewing policy actions that exacerbate physical climate change risks or restrict climate change adaptation capacities in the long term.

2.41 The program is aligned with the Sustainable Infrastructure for Competitiveness and Inclusive Growth Strategy (document GN-2710-5), through reforms that promote: (i) a robust regulatory framework and sound institutional structure that consolidates a policy of safe, affordable, and accessible mobility services; and (ii) environmental sustainability through the promotion, structuring, and/or implementation of mass transit, active modes, and electric mobility projects. The

program is also consistent with the Transportation Sector Framework Document (document GN-2740-12) by promoting reforms aimed at: (i) strengthening regulation and improving the capacities of transportation sector institutions to improve service delivery by the public sector and private operators, fulfilling criteria of environmental sustainability and social inclusion in terms of gender and persons with disabilities; and (ii) promoting the sector's technological transformation through the adoption of tools to strengthen planning processes, monitoring systems and the quality of data on road accidents and urban mobility. The program is aligned with the IDB Group's country strategy with the Dominican Republic (document GN-3084), especially with the priority areas of: (i) Sustainable and inclusive productive reactivation, as the proposed reforms aim to improve the regulatory and institutional framework and implement projects to overcome shortcomings and externalities in the transportation sector; and (ii) Public management and fiscal and institutional framework, through reforms aimed at improving efficiency in the delivery of mobility services and the development of digital tools.

2.42 Lastly, the program is aligned with Vision 2025 – Reinvest in the Americas: A Decade of Opportunity, specifically with the strategic goal to "Reactivate the productive sector" because it will promote: (i) a greater volume of efficient investments by applying principles of environmental (paragraph 2.17), social, financial, and institutional sustainability; (ii) the closing of gaps in access to safe and efficient mobility services, impacting productive and social development; and (iii) the digital economy (paragraph 2.18) by promoting the use of new innovative technologies to improve delivery of the urban public transportation service. The operation is included in the 2022 Operational Program (document GN-3087) as part of the indicative program for the country in 2022 (DR-O0008).

III. Dimensioning, Risks, and Implementation and Management Plan

A. Dimensioning

3.1 **Financing instrument.** This operation is financed by a programmatic policy-based loan (PBP) consisting of two operations that are financed independently but are related technically. The PBP is the Bank's most suitable instrument for supporting the government in making further progress in sustainable sector management, since it facilitates policy dialogue with the country, offers the necessary timeframe to implement reforms, and provides an opportunity to review the progress made in the first operation (loan 4914/OC-DR) for US$250 million.

3.2 **Dimensioning of the operation.** This second operation will receive US$200 million in financing from the Bank's Ordinary Capital and US$200 million from AFD, under a joint financing arrangement. Pursuant to paragraph 3.27(b) of "Policy-based Loans: Guidelines for Preparation and Implementation" (document CS-3633-2), the amount of operation was based on the country's need for fiscal resources. For 2022, the central government's financing needs are equivalent to 4.9% of GDP; and the operation is intended to cover part of this, representing 8% of total financing needs.

3.3 **Special contractual conditions precedent to the sole disbursement of the financing: (i) fulfillment of the policy reform conditions established in the Policy Matrix (Annex II); (ii) entry into force of the loan contract between the French Development Agency (AFD) and the Dominican Republic, to ensure that the reforms can be fully instituted; and (iii) fulfillment of the other contractual conditions established in the loan contract.** The Bank may request external audits in accordance with its policies.

B. Risks

3.4 **Environmental and social safeguard risks.** Pursuant to Directive B.13 of the Environment and Safeguards Compliance Policy (document GN-2208-20 and Operational Policy OP-703), this program does not require an ex ante impact classification. The operation will not finance infrastructure in any of its components. The proposed reforms could generate indirect social impacts related to the labor market in the transportation sector as a result of business formalization. This is considered a "moderate" risk. Mitigation measures include: (i) implementation of the support and training activities envisaged by INTRANT as part of its social management plan for the new SITP corridors; (ii) environmental and social assessment of the overland transportation and urban mobility sector reform program, included as a means of verification of the associated policy reform; and (iii) specific actions to strengthen INTRANT, financed with technical cooperation resources from the Bank and AFD.

3.5 **Public management and governance risk.** A medium operational risk is identified in the potential for delay in the approval of sector technical regulations and standards. This risk will be mitigated through technical assistance under operation ATN/OC-18636-DR, in terms of review of documents, support during the public consultation process, and the interagency and civil society dissemination process for subsequent approval.

C. Implementation and management plan

3.6 **Summary of implementation arrangements.** The borrower will be the Dominican Republic. The Ministry of Finance, as executing agency, will execute the program and utilize the loan proceeds on behalf of the borrower.

3.7 The executing agency will coordinate fulfillment of the policy conditions with INTRANT, in accordance with the responsibilities assigned to it by Law 63-17. In doing so, it will work with other government entities, such as DIGESETT or the MOPC that have complementary responsibilities specified under the same legal framework. The executing agency is responsible for: (i) promoting actions leading to achievement of the policy objectives; (ii) providing evidence of the fulfillment of contractual commitments and consolidation of the sector reform actions described (Annex II), as well as any other evidence that the Bank needs to approve the respective disbursement; and (iii) reporting to the Bank on performance indicators to evaluate program results.

3.8 **Summary of arrangements for monitoring and evaluating results.** Program monitoring is based on verification of the policy conditions identified in the Means of Verification Matrix (required link 2). The Ministry of Finance, supported by INTRANT, will ensure fulfillment of the conditions. The Bank will track execution in conjunction with AFD, through semiannual monitoring meetings, using the

indicators of the Results Matrix (Annex III) to guide this process during implementation. The program evaluation will check whether the expected results and impacts were achieved, once the deadline set for their fulfillment in the program monitoring and evaluation plan (required link 4) has expired. The project team will prepare a project completion report no later than 24 months after disbursement of this second operation.

IV. POLICY LETTER

4.1 **Policy letter.** The Bank and the Dominican government reached agreement on the policy commitments supported by this program. These, along with the government's macroeconomic strategy, are set out in the Policy Matrix (Annex II), the Means of Verification Matrix (required link 2), and the Results Matrix (Annex III). The Policy Letter (required link 1) will ratify the government's commitment to the objectives and reforms envisaged for the programmatic operation as a whole.

Development Effectiveness Matrix		
Summary DR-L1140		
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
1. The Strategic Alignment tab in convergence shows alignment on IDB Group Strategic Priorities. The Results Matrix tab lists flagged CRF indicators		
2. The Strategic Alignment tab in convergence shows information on alignment to Country Development Objectives		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		7.9
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		1.6
3.3 Results Matrix Quality		3.8
4. Ex ante Economic Analysis		N/A
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
6. Overall risks rate = magnitude of risks*likelihood		Medium Low
The Environmental and Social Data tab in convergence shows the environmental and social risk classification of the project		
IV. IDB´s Role - Additionality		
Annex III Fiduciary Arrangements describes project reliance on the use of country systems (VPC/FMP Criteria)		
7. 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		

This is the second operation in a PBP that seeks improvements in public policy in the transport sector in the Dominican Republic (DR) given that it transversally impacts over all the socioeconomic activities and hence also productivity and competitiveness. The sector had great losses because of the pandemic and beyond the crisis already faced significant challenges. Official data indicates that the mortality rate due to transit accidents was of 30.9 and 25.9 deaths for every 100 thousand population in 2019 and 2020, amply surpassing global rates (18.2) and one of the main public health problems the country faces. Economic losses due to traffic congestion are estimated at US$300MM per year for DR. The cost of cargo transport is three times higher than the Mesoamerican average. Moreover, terrestrial transport, given the antiquity of the vehicular park, which lacks systemized inspections; contributes a high proportion of total greenhouse gas emissions in the country. Until recently, there were many entities in charge of the regulatory framework of the sector. In 2017, a law was approved which consolidates regulation and names INTRANT as the main regulatory body in charge of reform. This program is a collaboration with the government to advance regulatory reforms and is the second operation of a PBP. The general objective of the program is to contribute to consolidate a safe and efficient terrestrial transport through reforms in three subsectors: (i) road safety, (ii) urban mobility, (iii) and cargo transport (CT). The specific objectives are: (i) the operationalization of a robust regulatory framework with a vision of the future for planning and sectorial reform; (ii) the institutional strengthening of the regulating entities; (iii) the development of management tools geared toward the adoption of new technical standards in the sector. The reforms aim to provide norms and regulatory standards to improve the status quo and the outputs in the Results Matrix correspond to the initiatives under the Public Policy Matrix. To name but a few of the planned reforms: (i) technical norms for vehicular inspection will be released; (ii) new locations for driver's licensing will be opened; (iii) many actions geared toward road safety will be implemented such as speed control, seat belt use, and alcohol consumption control; (iv) the approval of the norms for CT; (v) advances in the pilot for Logistically Efficient Corridors; and (vi) that infrastructure be accessible to people with handicaps. The Results Matrix captures several benefits in medium-term results such as: (i) licenses dispensed under the new law; (ii) the average number of passengers in pilot corridors during rush hour; (iii) the reduction in the underreporting of transit accident related deaths; (iv) the number of cargo units registered under the new regulations; (v) the percent of vehicles that complies with the technical inspections required by the new law; and (vi) the percent of buses accessible to handicapped individuals; amongst others. At closure, a before-and-after evaluation will be conducted.

POLICY MATRIX

Objective. The program's general objective is to contribute to safer and more efficient overland transportation through reforms in three subsectors: (i) road safety; (ii) urban mobility; and (iii) road freight transportation. Its specific objectives are: (i) implementation of a robust, forward-looking policy framework as the foundation for sector planning; (ii) institutional strengthening of the competent entities; and (iii) development of planning tools for the adoption of new technical standards in the sector.

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
Component I. Macroeconomic stability			
1.1 Macroeconomic stability.	1.1 The macroeconomic framework is stable and consistent with the objectives of the program and the sector policy letter.	1.1 The macroeconomic framework is stable and consistent with the objectives of the program and the sector policy letter.	Fulfilled
Component II. Road safety as a pillar of sector development			
2.1 Prioritize road safety as a pillar of sectoral development: **legal and regulatory framework.**	2.1.1 Pursuant to Law 63-17 on Mobility, Overland Transportation, Traffic, and Road Safety, a technical inspection regulation for passenger and freight transportation vehicles has been approved and has entered into force, updating the necessary standards (including energy efficiency standards), to ensure ongoing improvements in the makeup of the Dominican Republic's vehicle fleet, including: a. Regulation of vehicle technical inspection stations; b. Required vehicle conditions for circulation; c. Protocol and instruments for conducting vehicle technical inspections; d. Rules for vehicle technical inspection of imported motor vehicles and used vehicles	2.1.1.1 The National Institute for Traffic and Overland Transportation (INTRANT) has issued at least three technical standards derived from the regulations on vehicle technical inspection, which integrate energy efficiency standards across the board.	To be fulfilled (Q3 2022)
		2.1.1.2 The concession process for vehicle technical inspection stations has started, as established in the vehicle technical inspection regulations, to guarantee the maintenance, safety conditions, and energy efficiency of the vehicle fleet.	Fulfilled (Q1 2022)

[1] This information is merely indicative as of the date of this document. In accordance with document CS-3633-2 (Policy-based Loans: Guidelines for Preparation and Implementation), fulfillment of all the specified conditions for disbursement, including maintenance of an appropriate macroeconomic policy framework, will be verified by the Bank when the borrower requests the corresponding disbursement and will be promptly reflected in the disbursement eligibility memorandum.

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
	2.1.2. Pursuant to Law 63-17, the following road safety regulations have been approved and have entered into force, updating safe driving and other requirements: a. Issuance of driver's licenses; b. Psychological and physical certificates for drivers, and medical centers authorized to issue them; c. The road safety training, instruction, and education program; d. Authorization of driving schools; e. A driver's license point system.	2.1.2.1 Technical standards, derived from the regulations, have been issued on driving schools, highway training and education, with criteria for efficient driving, psychological and physical medical certificates for drivers and authorized medical centers and driver's licenses.	Fulfilled (Q1 2022)
		2.1.2.2 At least two driver licensing centers are in operation, in accordance with the approved regulations on driver licensing and highway training and education, which promote efficient driving practices and better supervision.	Fulfilled (Q1 2020)[2]
		2.1.2.3 At least one driving school is authorized in accordance with applicable regulations, aimed at improving highway behavior and promoting efficient driving.	Fulfilled (Q3 2022)
		2.1.2.4 Progress has been made in implementing the driver's license point system, through the approval of two technical standards, technological information systems, medical inspection centers and cross-sector coordination working group, pursuant to the requirements established in the approved regulations.	Fulfilled (Q2 2022)
	2.1.3 The Governing Board of INTRANT (CODINTRANT) has approved the preliminary draft regulation on use of and transportation on bicycles, motorcycles, and other personal mobility vehicles, establishing general traffic rules, use of these modes of transportation to provide services, minimum standards, use of helmets, etc.	2.1.3 The Regulation on Transportation on Motorcycles, Bicycles, and other Personal Mobility Vehicles has been approved, defining the general rules of circulation, the use of these modes for service delivery, and minimum standards for the use of helmets, among other issues, together with specific provisions on: gender equity and the prevention of violence against women; universal accessibility for persons with disabilities; technological upgrading and user safety.	Fulfilled (Q2 2020)

[2] Fulfillment of some reforms in 2020 is consistent with the original prioritization of this second operation under the program for that year; the operation was postponed in response to the needs and challenges imposed by the pandemic.

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
2.2 Prioritize road safety as a pillar of sector development: **institutional framework.**	2.2.1 The work plan to facilitate coordination between INTRANT and the Traffic and Overland Transportation Safety Bureau (DIGESETT) has been approved and identifies surveillance and enforcement actions for mobility management.	2.2.1 At least five actions of the work plan for surveillance and control are being implemented to reinforce changes in driver behavior and ensure coordination between INTRANT as the regulatory entity and DIGESETT as supervisor, including those related to: a. Speed control; b. Use of seat belts; c. Control of alcohol consumption.	Fulfilled (Q1 2022)
	2.2.2 The Permanent Road Safety Observatory (OPSEVI) is operating, and its data collection and operational capabilities have been strengthened through: a. Allocation of a budget and staffing for its operation; b. Development of a methodology for consolidation, analysis, and monitoring of accident data; c. Coordination of road hot spot interventions with the Ministry of Public Works and Communications (MOPC) and DIGESETT.	2.2.2.1 OPSEVI's data collection and analysis, and public policy-making capacities have been strengthened, incorporating information from INTRANT and the 911 National Emergency System, to improve care for victims.	Fulfilled (Q1 2022)
		2.2.2.2 The functions of OPSEVI as an advisory body to the central government and municipalities on road safety policy have been strengthened through: a. the existence of a protocol for the collection of sector data. b. follow-up and monitoring using indicators for the definition of key statistics on road safety. c. production of official annual accident reports. d. development of a methodology for the annual estimation of economic damages and costs of traffic accidents. e. development of a training program for medical examiners to determine the cause of accidents and registration of deaths.	Fulfilled (Q1 2022)
		2.2.2.3 At least five actions of the approved Action Plan have been implemented on critical points selected by INTRANT and the MOPC.	Fulfilled (Q1 2022)
	2.2.3.1 A policy framework has been established for creating technical units under DIGESETT to investigate traffic accidents (in the field), with a mandate to: a. Conduct the relevant inquiries into traffic accidents; b. Compile data and gather evidence relating to the causes and circumstances of the accident;	2.2.3 DIGESETT Accident Investigation Technical Units are operating, to help determine the causes and effects of traffic accidents and reinforce prevention mechanisms.	Fulfilled (Q1 2022)

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
	c. Draft reports explaining and describing the details of accidents; d. Record statistical data on traffic accidents: location, causes, material and human losses, and damage to private or public property. 2.2.3.2 At least five accident investigation technical units are in operation with the mandate stated in the policy framework.		
2.3 Prioritize road safety as a pillar of sector development: **planning tools.**	2.3.1 The National Strategic Plan for Road Safety (PENSV) has been disseminated.	2.3.1 At least 10 priority actions established in the PENSV have been implemented, including at least two actions contributing to reduced greenhouse gas (GHG) emissions.	Fulfilled (Q1 2022)
	2.3.2 INTRANT has approved a communication work plan, including education and road safety campaigns, guidance, and awareness-raising, with the following priorities: a. Drinking and driving; b. Child restraint systems; c. Speed limits; d. Motorcycle helmets.	2.3.2 At least five actions of the approved communication work plan have been implemented to generate awareness of PENSV actions.	Fulfilled (Q1 2022)
	2.3.3 CODINTRANT has approved preliminary draft regulations governing occupational road safety and mobility plans to be developed by businesses, public administrations, and other organizations.	2.3.3.1 Approval of the regulations on occupational road safety and mobility plans to be developed by companies, public administrations, and other organizations, to promote safe, healthy, and environmentally friendly mobility habits.	Fulfilled (Q3 2020)
		2.3.3.2 At least two road safety and mobility pilot work plans are being developed, containing guidelines for nonmotorized and shared modes of transportation.	Fulfilled (Q1 2022)
	2.3.4 The Ministry of Education has agreed to incorporate road safety education into public school curricula, to strengthen citizen understanding of road safety at the primary and secondary school levels, and the education programs have been developed.	2.3.4 Actions are being implemented under the cooperation framework agreement between INTRANT and the Ministry of Education through the integration of road safety education into public school curricula.	Fulfilled (Q1 2022)
	2.3.5 The PENSV for motorcycles has been approved.	2.3.5 At least five priority actions established in the PENSV for motorcycles have been implemented.	Fulfilled (Q1 2022)

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
		2.3.6 A methodology has been developed and progress made in implementing the Safe School Environments Program, aimed at guaranteeing safe mobility in the school environment nationwide.	Fulfilled (Q1 2022)
Component III. Accessible, affordable, and efficient urban mobility			
3.1 Contribute to an efficient, safe, innovative urban mobility sector by improving the quality of urban and intercity transit services: **legal and regulatory framework.**	3.1.1. Public consultation has been sought on the preliminary draft omnibus regulations on organization of public transportation, establishing, inter alia: a. Fare-setting based on affordability and accessibility criteria; b. Conditions for issuing operating permits to transit operators; c. Service quality and performance standards, including energy efficiency, polluting emissions, and vehicle technical and mechanical standards required for the public transit fleet.	3.1.1.1 Regulations governing the urban public overland passenger transportation service have been approved, which, in addition to the issues mentioned in the first operation's preliminary draft law, include specific provisions on the following: gender equity and the prevention of violence against women; universal accessibility for persons with disabilities; and technological upgrading in fleet renewal, which contributes to reducing GHG emissions.	Fulfilled (Q3 2020)
		3.1.1.2 Progress has been made on development of a fare structuring methodology for public transit that potentially includes systems for integration with other modes of transportation, based on the outcomes of a corridor pilot project.	Fulfilled (Q1 2022)
		3.1.1.3 A technical, commercial, and institutional interoperability model has been developed for public transportation in Greater Santo Domingo	Fulfilled (Q1 2022)
	3.1.2 A special procedure has been approved that enables currently operating public transit service providers to be established as a business or other type of legal entity pursuant to Law 63-17.	3.1.2 Progress has been made on the process of issuing route operation permits for routes established under Law 63-17 to public transit service providers that have been established as a business or other type of legal entity, as evidence of implementation of the Social Management Plan.	Fulfilled (Q3 2020)
	3.1.3 Mechanisms[3] have been created for managing the resources to be allocated to passenger and freight transport fleet renewal under Law 63-17, which provides for incentives for a clean, low-carbon technology fleet.	3.1.3 Progress is being made on the passenger and freight vehicle renewal process, with incentives for a clean, low-carbon technology fleet.	Fulfilled (Q1 2022)

[3] Such as a trust fund.

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
	3.1.4 Progress has been made on the regulations on special transportation with CODINTRANT's approval of the respective preliminary draft regulations on school, tourism, and occupational transportation.	3.1.4.1 Regulations on school transportation, tourist transportation, and private transportation of workers have been approved, including specific provisions on the following: gender equity and the prevention of violence against women; universal accessibility for persons with disabilities; and technological upgrading in fleet renewal, which contributes to reducing GHG emissions.	Fulfilled (Q3 2020)
		3.1.4.2 Regulations applicable to school transportation licensing procedures and guidelines for operator registration have been approved.	To be fulfilled (Q3 2022)
3.2 Contribute to an efficient, safe, innovative urban mobility sector by improving the quality of urban and intercity transit services: **institutional framework.**	3.2. An INTRANT/Ministry of Energy and Mines working group has been created to develop an alternative energy roadmap for passenger and freight overland transportation systems.	3.2 Progress has been made in the normative, institutional, and regulatory development related to electromobility, including incentives for the deployment of alternative energy vehicles in public transportation, under the Interagency Cooperation Agreement signed between INTRANT and the Ministry of Energy and Mines.	Fulfilled (Q1 2022)
3.3 Contribute to an efficient, safe, innovative urban mobility sector by improving the quality of urban and intercity transit services: **planning tools.**	3.3.1 The technical, legal, and financial structure is complete for a bus corridor in Santo Domingo's Integrated Public Transportation System, contributing to climate change mitigation pursuant to Law 63-17.	3.3.1 Progress has been made in the process of transportation corridors identified in the SITP, in the framework of Law 63-17.	Fulfilled (Q1 2022)
	3.3.2 Guidelines have been approved for developing local strategic mobility plans based on the Mobilize your City[4] methodology, involving GHG emissions mitigation, universal accessibility (regardless of a person's technical, cognitive, or physical ability), and other objectives.	3.3.2 At least two local strategic mobility plans have been developed based on the approved guidelines, including guidelines on urban planning, urban land use management that promotes transit-oriented development, universal accessibility for persons with disabilities, energy efficiency, and GHG reduction.	Fulfilled (Q2 2022)
	3.3.3 The Sustainable Urban Mobility Plan of Greater Santo Domingo has been approved, including climate change mitigation considerations, and identifying short-, medium-, and long-term actions for its implementation.	3.3.3 At least five priority actions defined in the Sustainable Urban Mobility Plan of Greater Santo Domingo have been implemented, including climate change mitigation objectives and promotion of active modes.	Fulfilled (Q1 2022)
	3.3.4 The Safe Pedestrian Plan has been approved, calling for integration of nonmotorized modes into the public transportation system.	3.3.4 At least two of the Safe Pedestrian Plan's medium-term priority actions have been implemented.	Fulfilled (Q1 2022)

[4] Based on a participatory methodology.

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
	3.3.5 Development of a diagnostic assessment of gender-differentiated mobility patterns has started, as the baseline for a mobility observatory.	3.3.5.1 Progress has been made in developing gender and diversity plans and implementing actions to improve inclusion in public transportation services.	Fulfilled (Q1 2022)
		3.3.5.2 A sustainable urban mobility observatory has been structured, with a mission to measure and monitor the implementation of mobility policies, using information technologies and incorporating indicators of gender, diversity, GHG emissions reduction, and travel/trip data for urban planning.	Fulfilled (Q3 2022)
Component IV. Efficient, sustainable road freight transportation			
4.1 Contribute to improved quality of freight trucking services: **legal and regulatory framework.**	4.1 CODINTRANT has approved the preliminary draft regulations on road freight transportation after the relevant public consultation, including as core components: a. National registry of freight transportation vehicles; b. National registry of operators; c. National registry of freight transport logistics chain operators; d. Shipping documents; e. An efficient reference cost system for road freight transport.	4.1.1 The Freight Transportation regulations have been approved, which, in addition to the central aspects included in the preliminary draft of the law under the first operation, include energy efficiency and eco-driving provisions.	Fulfilled (Q3 2020)
		4.1.2 A baseline study has been prepared to define the reference cost structure for freight trucking, highlighting vulnerability to fossil fuel prices and evaluating the benefits of low-emission transportation technologies.	Fulfilled (Q1 2022)
		4.1.3 An online platform has been developed for calculating reference freight transportation costs between the country's main origins and destinations.	Fulfilled (Q1 2022)
4.2 Contribute to improved quality of freight trucking services: i**nstitutional framework.**	4.2.1 The Road Freight Transportation Department has been created at INTRANT, to help improve overland freight transportation services.	4.2.1 The Departments of Sustainable Mobility, Overland Passenger Transportation, Traffic and Roads, and Road Freight Transportation are functioning with the necessary budget and personnel assigned to them.	Fulfilled (Q1 2022)
	4.2.2 INTRANT, Pro-Competencia, the National Competitiveness Council, and the Port Authority have made progress on the design and execution of public policies related to maritime, port, and overland transportation, including a strategy to promote intermodal transportation, a working group, and forums for dialogue with logistics chain operators.	4.2.2 INTRANT has made progress on publicizing public policies on maritime, port, and overland transportation with the interagency technical working group, including the proposal to develop the pilot plan for efficient logistics corridors.	Fulfilled (Q3 2022)

Objective and scope	Policy reforms I	Policy reforms II	Fulfillment status of policy reforms II[1]
	4.2.3 A pilot plan for efficient logistics corridors and business formalization has been formulated, contributing to the identification of a system of efficient costs for freight transportation.	4.2.3 A pilot business formalization project for freight trucking operations has been implemented, focusing on the design of a reference information system for estimating freight logistics and trucking costs, which promotes vehicle utilization and reduces the number of empty trips.	Fulfilled (Q1 2022)
		4.2.4 Progress is being made in implementing a pilot project for efficient logistics corridors, reducing heavy vehicle traffic in Santo Domingo.	Fulfilled (Q1 2022)
		4.2.5 The National Freight Vehicles Register has been implemented, with a view to characterizing the national freight vehicle fleet.	Fulfilled (Q1 2022)

RESULTS MATRIX

	EXPECTED IMPACTS												
	Indicators	**Unit of measure**	**Baseline**	**Baseline year[1]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
	Objective: The program's general objective is to contribute to safer and more efficient land transportation through reforms in three subsectors: (i) road safety; (ii) urban mobility; and (iii) road freight transportation.												
	Impact 1: Reduction in traffic accidents												
1	Number of traffic-related fatalities. Rate per 100,000 inhabitants broken down by gender.	Rate	29.3	2018	30.9	25.9	27.0				26.4	Fatality statistics from the Permanent Road Safety Observatory (OPSEVI).	10% reduction relative to the baseline by 2025.
2	Number of traffic-related injuries (nonfatal). Rate per 100,000 inhabitants, broken down by gender.	Rate	106.9	2018	108.3	79.9	104.8				96.2	OPSEVI fatality statistics.	
	Impact 2: Reduction in emissions and increased use of public transportation												
3	Emissions from the transportation sector in Greater Santo Domingo	Volume of CO_2 eq emissions	1 MT	2018	-	-	-				0.95 MT	National data issued by the Observatory of Sustainable Urban Mobility (OMUS).	The baseline figure refers to 2018 and is included in the Sustainable Urban Mobility Plan of Greater Santo Domingo

[1] As this is the second operation of a PBP, the baselines used are the previous ones set for the first PBP operation.

													(PMUS). It was obtained from the survey conducted for this plan and will be updated in 2023.
4	Trips made using the Integrated Public Transportation System (SITP),[2] broken down by gender and persons with disabilities: I. Total trips by public transportation; II. Percentage of trips made by public transportation of total trips in Greater Santo Domingo.	Number of trips	278,000	2018	339,649	220,704	268,810				300,000	Report issued by the National Institute of Traffic and Overland Transportation (INTRANT).	Baseline estimated with the 2018 PMUS household survey. Updating is planned for 2023.
		Percentage	9%	2018	11%	7.1%	8.5 %				15%		

[2] The Integrated Public Transportation System (SITP) encompasses subway, cable car, OMSA buses, and private operators.

	EXPECTED OUTCOMES												
	Indicators	**Unit of measure**	**Base**	**Baseline year[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
	Specific objective (i): Implementation of a robust and forward-looking regulatory framework as the foundation for sector planning												
1	Number of vehicle inspection stations authorized by INTRANT to provide the service.	Number	0	2018	0	0	0				2	INTRANT report.	
2	Percentage of licenses issued under the new mechanism established by Law 63-17, relative to the total number of active licenses, broken down by gender.	Percentage	0	2018	10.6%	14.8%	19%				25%	INTRANT report.	
3	Critical points targeted in the national road network.	Number of cases	0	2018	0	0	6				25	Report issued by the Ministry of Public Works and Communications (MOPC).	
4	Daily average number of peak hour passengers in the SITP pilot corridor.	Number of passengers	0	2018	0	0	1,200				2,200	INTRANT report.	The corridor peak load estimate (passengers/hour in each direction) is used to estimate paid demand on a typical working day. Annual growth is calculated from

[3] As this is the second operation of a PBP, the baselines used are the previous ones set for the first PBP operation.

	EXPECTED OUTCOMES												
	Indicators	**Unit of measure**	**Base**	**Baseline year[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
													projected population growth. The peak hour is from 7:45 a.m. to 8:45 a.m.
	Specific objective (ii): Institutional strengthening of the competent entities												
5	Users' perception of road safety and mobility, broken down by gender.	% positive perception in terms of mobility	43.2%	2018	39.5%	-	-				47.5%	OPSEVI Surveys.	The indicator is measured in terms of the levels of positive citizen perception.
		% positive perception in terms of road safety	68.9%	2018	89.6%	-	-				75.8%		
6	Number of cases investigated by the technical units of the Traffic and Overland Transportation Safety Bureau (DIGESETT) to determine the causes of traffic accidents.	Number	385	2018	249	249	488				425	INTRANT-DIGESETT report.	DIGESETT investigates accidents at the special request of the Attorney General's Office.
7	Reduction in the level of under-reporting of road safety accident and injury data, which are processed and	Percentage	53%	2018	34%	36%	36%				29%	OPSEVI report.	

	EXPECTED OUTCOMES												
	Indicators	**Unit of measure**	**Base**	**Baseline year[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
	consolidated by OPSEVI.												
8	Number of operators linked to the Mobility and Transportation Trust Fund (FIMOVIT).	Number	0	2018	1	0	3				5	FIMOVIT report.	
9	Improvement in the level of user satisfaction with the experience and quality of SITP services, broken down by gender and persons with disabilities.	Percentage	0	2018	82.9%	0	86.95%				88%	SITP satisfaction survey.	Start of measurement in 2019 with the user satisfaction survey run by the Transportation Reorganization Office (OPRET). The same measurement scheme would be used for the entire SITP (Metropolitan Bus Service Office (OMSA), private operators, Transportation Reorganization Office (OPRET)).
10	Number of freight units registered with INTRANT under National Freight Regulation 258-20.	Number	14,976	2018	16,297	0	16,479				40,000	Virtual platform of the National Freight Vehicles Register (RNVC).	The data are cumulative.

	EXPECTED OUTCOMES												
	Indicators	**Unit of measure**	**Base**	**Baseline year[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
	Specific objective (iii): Development of planning tools for the adoption of new technical standards in the sector												
11	Percentage of vehicles in circulation that comply with the technical-mechanical revisions required by Law 63-17.	Percentage	0	2018	0	0	0				2%	INTRANT report.	
12	Number of operators formalized and registered pursuant to Resolution 08 of 2018.[4]	Number of companies formalized	0	2018	3	0	5				40	Number of certificates issued by INTRANT.	
13	Number of low-capacity units,[5] transformed by the implementation of the new corridors in Greater Santo Domingo, pursuant to Resolution 08 of 2018.	Vehicle units	0	2018	0	0	89				900	Number of certificates issued by INTRANT.	

[4] Includes consortia, partnerships, and sole proprietorships.

[5] Units scrapped.

	EXPECTED OUTCOMES												
	Indicators	**Unit of measure**	**Base**	**Baseline year[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Final target 2025**	**Means of verification**	**Comments**
14	Number of transportation company employees trained as part of INTRANT's activities to support business formalization processes	Number of persons	0	2018	0	0	52				500	Minutes of INTRANT training sessions.	
15	Percentage of public and private operators' bus fleets accessible by persons with disabilities.	Percentage	0	2018	0	0	0				22%	Report of the INTRANT mobility observatory.	
16	Number of transportation company workers trained as part of INTRANT's activities to support business formalization processes, broken down by gender.	Number of persons	0	2018	0	0	0				200	Minutes of INTRANT training sessions.	

	EXPECTED OUTPUTS						
	Output indicator	**Unit**	**Baseline (2019)**	**Target (2022)**	**Final target (2025)**	**Means of verification[6]**	**Comments**
	ROAD SAFETY						
	Legal and regulatory framework						
1	Technical standards issued based on the vehicle technical inspection regulations.	Standards issued	2	1	3	INTRANT resolutions.	
2	Concession of vehicle technical inspection stations.	Process launched	0	1	1	Resolution issued by the Public-Private Partnerships Bureau (DGAPP).	
3	Technical standards based on the regulations on driving schools, highway training and education, psychological and physical medical certificates for drivers and authorized medical centers and driver's licenses.	Regulations issued	4	0	4	INTRANT resolutions.	
4	Driver licensing centers in operation.	Center in operation	0	2	2	Concession contract signed by INTRANT.	
5	Certification of authorized driving school.	Certification issued	0	1	1	INTRANT certification.	
6	Actions to implement the points-based licensing system.	Number of actions	0	7	7	INTRANT resolutions. Training manuals, technical report, communication plan, minutes of formation of the working group, and interoperability protocol.	
7	Transportation regulations approved for motorcycles, bicycles, and other personal mobility vehicles.	Regulations approved and in force	0	1	1	Official Gazette.	
	Institutional framework						
8	Report on actions implemented under the DIGESETT/INTRANT Operational Plan for Surveillance and Control.	Report	0	1	1	INTRANT report.	
9	Agreement between INTRANT/OPSEVI and the 911 National Emergency System.	Agreement signed	1	0	1	INTRANT/OPSEVI and 911 Agreement.	

[6] Details of the output indicators and means of verification (with their links) can be consulted in the Means of Verification Matrix and Monitoring and Evaluation Plan.

	EXPECTED OUTPUTS						
	Output indicator	**Unit**	**Baseline (2019)**	**Target (2022)**	**Final target (2025)**	**Means of verification[6]**	**Comments**
10	OPSEVI actions.	Number of actions	0	5	5	OPSEVI protocol on data collection, follow-up, and monitoring indicators; 2021 road accident report; methodology for estimating economic damages; and training program for medical examiners.	
11	Report of critical points targeted, selected by INTRANT and MOPC.	Report	0	1	1	MOPC report.	
12	Reports of the DIGESETT Accident Investigation Technical Units in operation.	Daily Traffic Accident Report	0	1	1	DIGESETT report.	
	Planning tools						
13	Report on actions implemented under the National Strategic Road Safety Plan (PENSV).	PENSV Implementation Report	0	2	2	OPSEVI report and 2017-2020 PENSV Evaluation Report.	
14	Report on implementation of the INTRANT communication work plan.	Report on actions implemented	0	1	1	INTRANT report.	
15	Regulations on road safety and mobility work plans.	Regulations approved and in force.	0	1	1	Official Gazette.	
16	Pilot road safety work plans developed.	Pilot plan developed	0	2	2	Road safety and mobility work plans; methodological guide; and dissemination minutes.	
17	Actions under the Cooperation Framework Agreement between INTRANT and the Ministry of Education (MINERD).	Number of actions	0	3	3	Report on actions implemented under the Agreement.	
18	Report on motorcycle actions implemented under the PENSV.	Report	0	2	2	OPSEVI report on actions implemented, and status report on the national registry.	
19	Implementation of the Safe School Environments Program.	Number of actions	0	4	4	INTRANT resolution; methodological guide; certification of schools and technical report.	
	URBAN TRANSPORTATION						
	Legal and regulatory framework						
20	Regulations for the public urban overland passenger transportation service approved.	Regulations approved and in force	0	1	1	Official Gazette.	
21	Fare structuring methodology for public transportation.	Methodology developed	0	1	1	INTRANT fare structuring methodology.	

	EXPECTED OUTPUTS						
	Output indicator	**Unit**	**Baseline (2019)**	**Target (2022)**	**Final target (2025)**	**Means of verification[6]**	**Comments**
22	Technical, commercial, and institutional interoperability model for electronic fare collection.	Model developed	0	1	1	Interoperability model for public transportation online fare collection.	
23	Route operating licenses for transportation providers.	License issued	0	3	3	Operating licenses granted by INTRANT and report evaluating the environmental and social impact of the reforms.	
24	Passenger and freight vehicle renewal process.	Number of actions	0	7	7	INTRANT report.	
25	School transportation, tourist transportation, and private worker transportation regulations approved.	Regulations approved and in force	0	3	3	Official Gazette.	
26	Technical regulations for school transportation services issued.	Regulations issued	0	1	1	INTRANT resolution.	
	Institutional framework						
27	Actions for the normative, institutional, and regulatory development of electromobility.	Number of actions	0	4	4	National Strategic Electromobility Plan; agreement between INTRANT and the Ministry of Energy and Mines (MEM); minutes of the public presentation; and draft law.	
	Planning tools						
28	Operation of public transportation corridors identified in the SITP.	Corridor operating	0	3	3	INTRANT reports on Núñez de Cáceres, Winston Churchill, and Charles de Gaulle corridors.	
29	Local strategic mobility plans prepared.	Plan prepared	0	2	2	INTRANT local strategic mobility plans.	
30	Actions implemented under the Greater Santo Domingo Sustainable Urban Mobility Plan.	Implementation report	0	1	1	INTRANT report on PMUS actions.	
31	Actions implemented under the Safe Pedestrian Plan.	Implementation report	0	1	1	INTRANT report on actions of the Safe Pedestrian Plan.	
32	Gender and diversity plans and actions.	Number of actions	1	5	6	INTRANT report on gender and diversity actions.	
33	Sustainable Urban Mobility Observatory designed.	Observatory designed	0	1	1	INTRANT report of the Sustainable Urban Mobility Observatory designed.	

	EXPECTED OUTPUTS						
	Output indicator	**Unit**	**Baseline (2019)**	**Target (2022)**	**Final target (2025)**	**Means of verification[6]**	**Comments**
	FREIGHT TRANSPORTATION						
	Legal and regulatory framework						
34	Freight transportation regulations approved.	Regulations approved and in force	0	1	1	Official Gazette.	
35	Reference cost structure for overland freight movement.	Study conducted	0	1	1	INTRANT study of benchmark freight transportation costs.	
36	Online platform for the calculation of benchmark freight transportation costs.	Platform	0	1	1	INTRANT document approving the "CORTRAM 2.0" online platform.	
	Institutional framework						
37	Department of Sustainable Mobility, Overland Passenger Transportation, Transit and Roads, Overland Freight Transportation in operation.	Work plans Annual report Manual of departmental functions	0 0 0	2 2 2	2 2 2	INTRANT annual work plan report, activity reports, and evidence of the operation of the monitoring and supervision department.	
38	Dissemination of public policies on maritime, port, and overland transportation issues, with the cross-sector technical working group.	Dissemination carried out	0	1	1	Minutes of the INTRANT cross-sector working group.	
39	Pilot business formalization project for overland freight transportation.	Project implemented	0	1	1	INTRANT pilot project implementation report.	
40	Pilot efficient logistics corridors project implemented.	Project implemented	0	1	1	INTRANT report on project structuring and implementation.	
41	National Freight Vehicles Register operating.	Platform	0	1	1	INTRANT Report of the National Freight Vehicles Register.	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/22

Dominican Republic. Loan ____/OC-DR to the Dominican Republic
Program to Support Mobility, Overland Transportation, and Road
Safety in the Dominican Republic II

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Dominican Republic, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the Program to Support Mobility, Overland Transportation, and Road Safety in the Dominican Republic II. Such financing will be for the amount of up to US$200,000,000 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 ___ _____ 2022)

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