

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	DOMINICAN REPUBLIC/CID - Isthmus & DR
▪ TC Name:	Design of the Yuna Watershed Resilient Development Project
▪ TC Number:	DR-T1260
▪ Team Leader/Members:	DAMAIS, GILLES GEORGES (CSD/RND) Team Leader; JACQUET, BRUNO (CSD/RND) Alternate Team Leader; LUIS DE LOS SANTOS (CSD/RND); ENCARNACION ENCARNACION, YONAI DA M. (CID/CDR); LEFEVRE, BENOIT JEAN MARIE (CSD/CCS); DE DOBRZYNSKI, ESTEBAN (LEG/SGO); GARZA CORTINA, MIRIAM (VPC/FMP); SALAZAR, LINA PIEDAD (CSD/RND)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Irrigation improvement and climate change adaptation in Yuna Watershed - DR-L1161
▪ Date of TC Abstract:	22 Dec 2022
▪ Beneficiary:	Instituto Nacional de Recursos Hidraulicos - INDRHI
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK (DR-INRH- INSTITUTO NACIONAL DE RECURSOS HIDRAULICOS)
▪ IDB funding requested:	US\$750,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/RND - Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CID/CDR - Country Off Dominican Republic
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law; Environmental sustainability; Gender equality; Diversity

II. Objective and Justification

- 2.1 Support the design of the “Yuna Watershed Resilient Development Project”, through the completion of the main technical, institutional, legal, socio-environmental, gender and operational studies.
- 2.2 The Government of Dominican Republic (GoDR) made water a central issue in its public policy and is planning to invest more than US\$8 billion over the next 15 years in potable water, sanitation, and irrigation sectors. The GoDR is developing the Water Pact with the objective of achieving water security through the following axis: (i) Protect and sustain national water resources; (ii) Provide efficient and equitable water services; (iii) Build climatic and non-climatic resilience.
- 2.3 The Dominican agricultural sector grew steadily at an average rate of 5.4% in the last decade, generating 5.7% of the Gross Domestic Product (Central Bank, 2022). The entry into force in March 2007 of the DR-CAFTA agreement signed between Central America, Dominican Republic and United States of America implied fostering investments in general goods and services which have proven to be effective to improve agricultural competitiveness. In the last two decades, investments in agricultural public infrastructure have been limited, especially in relation to irrigation

facilities (De los Santos, 2016). Surface irrigation (by gravity and pumping) represents 96% of total irrigation, while pressurized irrigation only 4%. The irrigation infrastructure is deteriorated, causing up to 80% water losses. In addition, according to the Intergovernmental Panel on Climate Change (IPCC), it is estimated that Dominican Republic would suffer from temperature increase, rainfall decrease, and increase of both floods and drought extreme events. At socio-institutional level, the process of transferring irrigation management to agricultural water users showed good results but has not been fully completed yet, and the National Institute of Water Resources (INDRHI) is seeking to improve its management capacities, particularly with regards to investment planning, water infrastructure maintenance and information systems.

- 2.4 Trough the regional technical cooperation RG-T3352 approved in 2019, the Bank supported INDRHI in developing a sustainable watershed management for the Yuna river basin. The Yuna watershed is the largest basin in the country with 5,256 km², more than 2 million inhabitants, 5 multipurpose dams and 57,000 hectares of irrigated land (20% of the country irrigated land). Through this support, a watershed hydrologic model has been developed with CC scenarios, and investments to improve agricultural productivity, water use efficiency and adaptation to climate change have been identified and prioritized.
- 2.5 On this basis, the GoDR requested the Bank to finance a US\$150 million loan to finance the “Yuna Watershed Resilient Development Project” which will aim at improving agricultural productivity, water management efficiency and adaptation to climate change in the Yuna watershed, with a gender approach. This project will be funded by IDB ordinary capital, probably co-financed by a contribution of the Climate Investment Fund through the Nature, People and Climate program, and possibly with a contribution of JICA.

III. Description of Activities and Outputs

- 3.1 **Component I: Component 1. Project design studies.** The main studies are the following: (i) technical pre-feasibility studies of water and irrigation management infrastructure (including design and quantification of works, budget); (ii) environmental and social impact and management plans; (iii) assessment of water management capacities at institutional and social levels; (iv) gender assessment and action plan; (v) cost-benefit analysis and monitoring and evaluation plan; (vi) rural engineering technical assistance.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Project design studies	US\$750,000.00	US\$0.00	US\$750,000.00
Total	US\$750,000.00	US\$0.00	US\$750,000.00

V. Executing Agency and Execution Structure

- 5.1 At the request of the Government, the executing agency for the TC will be the Bank and the activities will be implemented in close dialogue with the National Institute of Hydraulic Resources - INDRHI. The INDRHI: (i) will provide the necessary information; (ii) will support the technical review of the studies and reports; and (iii) it will support coordination with the different actors.
- 5.2 The follow-up and monitoring of TC execution will be carried out by the Bank, in coordination with the Ministry of Agriculture. The Bank will hire consulting firms in accordance with the Policy for the Selection and Contracting Firms for Bank-executed Operational Work (GN-2765-1) and the corresponding Operational Guidelines (OP-

1155-4) and individual consultants in accordance with the AM-650 guidelines. The disbursement period will be 24 calendar months. There are no conditions prior to first disbursement.

- 5.3 The Bank's support was requested by the Government to execute this TC since it requires greater efficiency in the contracting processes, and the project Executing Unit will already be absorbed in project execution. The proposed activities are consistent with the Bank's country program and strategy.

VI. Project Risks and Issues

- 6.1 No major risks have been identified.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".