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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US\$200 MILLION

TO THE

DOMINICAN REPUBLIC

FOR A

DOMINICAN REPUBLIC HURRICANE FIONA EMERGENCY RESPONSE PROJECT

January 9, 2023

Urban, Resilience and Land Global Practice
Latin America and Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 12, 2022)

Currency Unit = Dominican Peso (RD\$)

US\$1 = RD\$ 53.22

RD\$1= US\$0.018

FISCAL YEAR

January 1 - December 31

Regional Vice President: Carlos Felipe Jaramillo

Country Director: Michel Kerf

Regional Director: Anna Wellenstein

Practice Manager: David N. Sislen

Task Team Leader(s): Anna-Maria Bogdanova; Victoria Alexeeva

ABBREVIATIONS AND ACRONYMS

ADESS	Administrator of Social Subsidies (<i>Administradora de Subsidios Sociales</i>)
CAT DDO	Catastrophe Deferred Drawdown Option
CCA	Climate Change Adaptation
CDRP	Country Disaster Risk Profile
CGR	Comptroller General of the Republic (<i>Contraloría General de la República</i>)
CORS	Continuously Operating Reference Stations
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DPL	Development Policy Loan
DR	Dominican Republic
DRM	Disaster Risk Management
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FM	Financial Management
GCRF	Global Crisis Response Framework
GoDR	Government of the Dominican Republic
GDP	Gross Domestic Product
GFDRR	Global Facility for Disaster Reduction and Recovery
GRM	Grievance Redress Mechanism
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IAU	Internal Audit Unit
ICV	Quality-of-Life Index (<i>Índice de Calidad de Vida</i>)
IFR	Interim Financial Reports
IGN	National Geographic Institute (<i>Instituto Geográfico Nacional</i>)
IPF	Investment Project Financing
IRR	Internal Rate of Return
Km	kilometers
MEPyD	Ministry of Economy, Planning and Development (<i>Ministerio de Economía, Planificación y Desarrollo</i>)
MINPRE	Ministry of Presidency (<i>Ministerio de la Presidencia</i>)
M&E	Monitoring and Evaluation
NPV	Net Present Value
PDO	Project Development Objective
PIU	Project Implementation Unit
PPSD	Project Procurement Strategy for Development

POM	Project Operations Manual
SCD	Systematic Country Diagnostic
SEP	Stakeholder Engagement Plan
SIGEF	Government Financial Management Information System (<i>Sistema de Información de la Gestión Financiera</i>)
SIREDA	Damage Assessment Collection System (<i>Sistema de Recopilación y Evaluación de Daños</i>)
SIUBEN	Single Beneficiary Selection System (<i>Sistema Único de Beneficiarios</i>)
SNIP	National System of Public Investments (<i>Sistema Nacional de Inversión Pública</i>)
SNIT	National Territorial Information System (<i>Sistema Nacional de Información Territorial</i>)
SOE	Statement of Expenditures
STEP	Systematic Tracking of Exchanges in Procurement
TOC	Theory of Change
TSA	Treasury Single Account
UEPEX	Project implementation units with external financing (<i>Unidades ejecutoras de proyectos con financiamiento externo</i>)
VIOTDR	Viceministry of Territorial Planning and Regional Development (<i>Viceministerio de Ordenamiento Territorial y Desarrollo Regional</i>)
WBG	World Bank Group



TABLE OF CONTENTS

DATASHEET	1
I. STRATEGIC CONTEXT	7
A. Country Context.....	7
B. Sectoral and Institutional Context	10
C. Relevance to Higher Level Objectives.....	13
II. PROJECT DESCRIPTION.....	14
A. Project Development Objective	14
B. Project Components	14
C. Project Beneficiaries	21
D. Results Chain	21
E. Rationale for Bank Involvement and Role of Partners	23
F. Lessons Learned and Reflected in the Project Design	24
III. IMPLEMENTATION ARRANGEMENTS	25
A. Institutional and Implementation Arrangements	25
B. Results Monitoring and Evaluation Arrangements.....	26
C. Sustainability.....	26
IV. PROJECT APPRAISAL SUMMARY	26
A. Technical, Economic and Financial Analysis (if applicable)	27
B. Fiduciary.....	28
C. Legal Operational Policies.....	33
D. Environmental and Social.....	33
V. GRIEVANCE REDRESS SERVICES	37
VI. KEY RISKS	37
VII. RESULTS FRAMEWORK AND MONITORING	39
ANNEX 1: Implementation Arrangements and Support Plan	46
ANNEX 2: Additional Information on the Emergency Cash Transfer as part of the Social Protection System	49



DATASHEET

BASIC INFORMATION

Country(ies)	Project Name		
Dominican Republic	Dominican Republic Hurricane Fiona Emergency Response Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P180163	Investment Project Financing	Substantial	Urgent Need or Capacity Constraints (FCC)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
23-Jan-2023	24-Jan-2028

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The objectives of the Project are to support the Dominican Republic's emergency response and recovery needs and to strengthen its institutional capacity to manage risks posed by natural hazards and the effects of climate change



Components

Component Name	Cost (US\$, millions)
Component 1. Recovery, rehabilitation, and resilient reconstruction	100.00
Component 2. Support to the Government’s capacity for disaster risk preparedness, response and recovery	89.50
Component 3. Project Management and Monitoring and Evaluation	10.00

Organizations

Borrower:	Dominican Republic
Implementing Agency:	Ministry of Economy, Planning and Development Ministry of Presidency

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	200.00
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Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2023	2024	2025	2026	2027	2028
Annual	3.45	44.48	22.53	49.66	54.30	25.59
Cumulative	3.45	47.93	70.45	120.11	174.41	200.00



INSTITUTIONAL DATA

Practice Area (Lead)

Urban, Resilience and Land

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Section I.A.2 of Schedule 2 to the Loan Agreement. No later than three (3) months after the Effective Date, the Borrower, through MEPyD, shall establish, and thereafter operate and maintain, throughout Project implementation, a coordination and monitoring unit for the Project within MEPyD (the “MEPyD PIU”), with functions and responsibilities, and staffed with personnel in number and with qualifications and experience acceptable to the Bank as set forth in the Operational Manual, including, inter alia, a financial management specialist, an accountant, an environmental specialist and a social specialist.

Sections and Description

Section I.A.4 of Schedule 2 to the Loan Agreement. No later than three (3) months after the Effective Date, the Borrower, through MINPRE, shall hire or appoint an accountant, a financial management specialist, a procurement specialist, an environmental specialist, a social specialist and an occupational health and safety specialist as part of MINPRE PIU, with qualifications and experience acceptable to the Bank as set forth in the Operational Manual.



Sections and Description

Section I.A.5 of Schedule 2 to the Loan Agreement. No later than four (4) months after the Effective Date, the Borrower, through MEPyD, shall hire and retain, throughout Project implementation, independent auditor(s) in number and with experience and qualifications acceptable to the Bank, for purposes of carrying out audits of the Project in accordance with terms of reference set forth in the Operational Manual, and consistently applied auditing standards, all acceptable to the Bank.

Sections and Description

Section I.A.6 of Schedule 2 to the Loan Agreement. No later than three (3) months after the Effective Date, the Borrower, through MEPyD and MINPRE, shall create, and thereafter maintain throughout each calendar year of Project implementation, specific budget lines entries in the national annual budget to keep track of the corresponding Eligible Expenditures financed out of Loan proceeds incurred during Project implementation.

Sections and Description

Section I.A.9 of Schedule 2 to the Loan Agreement. No later than three (3) month after the Effective Date, the Borrower, through each MEPyD and MINPRE, shall establish, and thereafter maintain throughout the implementation of the Project, accounting, reporting, and internal control processes acceptable to the Bank, all in accordance with the criteria set forth in the Operational Manual.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	Section 4.01 of Article IV the Loan Agreement. That the Operational Manual referred to in Section I.B of Schedule 2 to the Loan Agreement has been prepared and adopted by the Borrower in a manner satisfactory to the Bank.
Type Disbursement	Financing source IBRD/IDA	Description Section III.B.1 (a) of Schedule 2 to the Loan Agreement. No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$ 80,000,000 may be made for payments made prior to this date but on or after September 19, 2022 (but in no case more than one year before the Signature Date), for Eligible Expenditures under Categories (1), (2) and (3), following a Rapid E&S Assessment (as applicable in accordance with the ESMF and the Project Operational Manual) and satisfactory to the Bank, showing that the pertinent obligations set forth in the Loan Agreement, have been complied with.
Type Disbursement	Financing source IBRD/IDA	Description Section III.B.1 (b) of Schedule 2 to the Loan Agreement. No



		<p>withdrawal shall be made for payments of Emergency Cash Transfers made under Category (2) until: (i) the Borrower has established the ACGs arrangements and ADESS has issued the ACG Notices in a manner acceptable to the Bank; all as provided under Section I.A.7 of Schedule 2 to this Agreement; and (ii) an external verification on Emergency Cash Transfers' payments has been carried out in a manner acceptable to the Bank.</p>
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I. STRATEGIC CONTEXT

A. Country Context

1. **On September 19, 2022, Hurricane Fiona hit the Dominican Republic (DR) as a category 1 hurricane with strong winds of up to 150 kilometers (km) per hour and heavy rains affecting over 1.4 million people.** Hurricane Fiona is the first hurricane to directly affect the country since Hurricane Jeanne in 2004. Hurricane Fiona made landfall on the DR with destructive winds and severe floods causing massive damage to livelihoods, critical infrastructure, and services in the eastern, southeast, and northeastern provinces of La Altagracia, La Romana, San Pedro de Macoris, Santo Domingo, El Seibo, Hato Mayor, Duarte, La Vega, Santiago, Samaná, Maria Trinidad Sánchez, and Monte Plata.

2. **The DR's economic growth remains solid; however, the country remains highly vulnerable to climate-induced and natural adverse events and faces risks from the impact of the war in Ukraine.** Over the past 25 years, the DR has experienced a period of robust economic growth. The economy expanded by an average of 5.3 percent in 2000–19, driven primarily by capital accumulation and total factor productivity growth. The COVID-19 crisis had major economic and social impacts on the DR, but the economy strongly recovered in 2021. GDP rebounded 12.3 percent in 2021, supported by a solid Government of the Dominican Republic (GoDR) response to COVID-19. However, the war in Ukraine poses important immediate risks, primarily through higher prices of goods and services (the DR is a net importer of oil, natural gas, soybeans, sorghum, wheat, and corn), and a decrease in tourism revenues by about US\$34 million per month.¹ Rising inflation is reducing household disposable incomes, primarily of the more vulnerable population.² Poverty (defined as living with less than US\$6.85 per day) is expected to remain above pre-pandemic levels in 2022.³

3. **The DR is classified as a high-risk country of climate-related and other disasters from natural hazards⁴** and was ranked 32 out of 181 countries in the 2021 World Risk Index.⁵ The DR's Systematic Country Diagnostic (SCD) 2018⁶ and the World Bank Group (WBG) DR's Country Partnership Framework (CPF) for FY22-26⁷ identified the country's high exposure to climate/natural adverse events as a binding constraint to economic stability and the safety and well-being of its population. Consistent with these findings, the SCD highlights that the impacts of disasters are higher for the poorest households. A World Bank study also found a correlation between the intensity of a hurricane affecting the country and the ensuing increase in the national poverty rate.⁸ When Tropical Cyclone Noel hit the country in 2007, 90 percent of the people directly affected were below the national poverty line.⁹ This high level of exposure and vulnerability also materializes in significant economic impacts. The World Bank's DR

¹ Pro Dominicana, 2022

² The inflation rate of 8.6 per cent year on year in September 2022 remains well outside the target range of 4±1 percent. It is driven by the impact of disruptions in international supply chains and increasing commodity prices for food and transport.

³ Employment rate in the second quarter of 2022, when compared to pre-pandemic levels, remained 1.1 percent points below and informality remains 2.8 percent points higher.

⁴ The DR is highly vulnerable to a wide range of climate-induced hydrometeorological hazards (for example, hurricanes, tropical storms, flooding, and drought) and geophysical hazards (for example, earthquakes and landslides).

⁵ <https://www.welthungerhilfe.org/news/publications/detail/worldriskreport-2021/#:~:text=The%20WorldRiskIndex%202021%20indicates%20the,impacted%20by%20the%20Corona%20pandemic.>

⁶ Report No. 128208-DO

⁷ Report No. 167896-DO.

⁸ Ishizawa, Strobl et al. 2018. Weathering Storms: Understanding the Impact of Natural Disasters in Central America.

⁹ Comisión Económica Para América Latina. 2008. "República Dominicana: Evolución de los impactos socioeconómicos de la tormenta Noel". CEPAL México.



Country Disaster Risk Profile estimates the annual average losses from earthquake- and hurricane-related disasters to the country's building stock at US\$642 million (0.89 percent of the 2016 GDP). Climate change projections show that the DR will face hurricanes with higher intensity and higher frequency causing more intense rainfall and coastal floods. Climate and disaster shocks could exacerbate macroeconomic weaknesses and pose significant risks to the sustainability of public finances in the DR, increasing contingent liabilities and debt.

4. **Around half of the population in the DR live in vulnerable conditions and can easily fall into poverty due to economic shocks and climate-linked impacts, especially women and other vulnerable groups.** Women, persons with disabilities, afro descendants, immigrants, and stateless people are particularly vulnerable as these groups tend to have lower access to resources and jobs, while facing higher risks of disaster impacts. Female-headed households have higher levels of poverty and vulnerability to economic shocks and climate-linked impacts in the DR; 50.3 percent of female-households are poor and 28 percent of them are extremely poor, compared to households headed by men, of which 35.9 percent are poor and 16.2 percent are extremely poor¹⁰. Women's disproportionate caregiving workload is frequently exacerbated in case of temporary closure of schools or care centers during emergencies. Also, women have less access to social protection services. Additionally, women have a higher unemployment rate than men. From 2015 to 2020, the unemployment rate for women (9.3 percent) exceeded the unemployment rate for men (3.9 percent)¹¹. During the first year of the pandemic in 2020, 12.2 percent of female-householders lost their jobs permanently in comparison to a 7.8 percent of male-headed households.¹² Also, women have a lower representation in decision-making processes. In the DR, although women have more access to the educational system than men, women are less present in managerial-level positions in the private sector and in leadership positions in government sectors, among others. Additionally, over 1.2 million Dominicans (about 12 percent of the population) have a disability, with a higher prevalence of women across all age groups, according to the 2010 census.¹³

Situation of Urgent Need or Capacity Constraints

5. **Hurricane Fiona generated devastating impacts and caused destruction and damage of critical infrastructure and services.** According to official reports, 8,708 homes were damaged, over 43,000 people were displaced, and 2 people lost their lives. More than 1 million households experienced water supply disruptions. The direct economic damages assessment of the GoDR suggests the highest impact was on public infrastructure and agriculture estimated at 36.6 percent and 36.1 percent of total damages respectively, followed by water supply (12.8 percent) and housing (11 percent), with impacts also observed in health (2.1 percent), education (1.1 percent), and energy (0.2 percent). Among the leading provinces by the level of economic productivity in the country, La Altagracia experienced the highest share of direct losses (18.4 percent), followed by El Seibo (15.4 percent), and Duarte (11.3 percent). The provinces of Samaná, María Trinidad Sánchez, Hato Mayor, Monte Plata, and San Pedro de Macorís each had estimated direct economic damages between 8 and 10 percent. The World

¹⁰ Gender and Climate Change Action Plan República Dominicana (PAGCC-RD) 2018

<https://cambioclimatico.gob.do/phocadownload/Documentos/cop25/Plan%20de%20G%C3%A9nero%20y%20Cambio%20Clim%C3%A1tico%20-%20RD.pdf>

¹¹ https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-san_jose/documents/publication/wcms_755526.pdf

¹² UN Dominican Republic, 2021

<https://www.unicef.org/dominicanrepublic/media/3636/file/Publicaci%C3%B3n%20%7C%20RED%20ACT%3%9AA:%20Segunda%20encuesta%20sobre%20el%20impacto%20socioecon%C3%B3mico%20de%20la%20COVID-19.pdf>

¹³ The unemployment rate of a female head of a household with persons with disabilities is 64 percent versus 51 percent for those that do not count persons with disabilities within their household and 32 percent for male heads of households with persons with disabilities versus 19 percent for those without persons with disabilities; Learning from Irma and María: Mainstreaming Protection and Inclusion in Disaster Risk Reduction in the Caribbean, CLACSO.



Bank's preliminary estimates as of September 28, 2022¹⁴ indicated direct economic damages to infrastructure, buildings, and crops up to US\$375 million, or approximately 0.4 percent of the country's 2021 gross domestic product (GDP). According to official data, public expenditures to alleviate the impact of Hurricane Fiona amounted to a total of RD\$ 19,047.45 million (US\$359.4 million equivalent).¹⁵

6. **The GoDR provided a rapid response to Hurricane Fiona, however, its impact stretched the capacity of local and sectoral institutions as well as emergency preparedness and response systems.** On September 19, 2022, the National Congress of the DR, through Presidential Decree 537-22¹⁶, declared a State of Emergency for 30 days due to the impact of Hurricane Fiona. The State of Emergency declaration was activated in 21 ministries and institutions,¹⁷ allowing the application of emergency procurement procedures to acquire goods and services to provide humanitarian relief packages and rescue, rehabilitation, and reconstruction works. The GoDR mobilized public funds for the emergency response and delivered immediate relief measures to alleviate and mitigate the impacts of Hurricane Fiona. This included the distribution of food and non-food items to the affected communities, reparation of infrastructure, and provision of relief packages to mitigate the impact across sectors. Besides these significant resources that have already been consumed to respond to emergency and provide rapid relief, financial resources and technical support are still needed to address the damages caused to critical sectors and support the country in building back more resiliently.

7. **The impacts of Hurricane Fiona have further deepened social vulnerabilities and inequalities in the country.** Out of the 12 provinces affected by Hurricane Fiona, 7 have the highest levels of gender inequity in the country: Hato Mayor and Samaná are on the highest gender inequality scale, and Duarte, La Altagracia, La Romana, El Seibo and Monte Plata are on a medium-high inequality range.¹⁸ Reproductive health indicators show less favorable results in most of the provinces with higher gender inequality. For example, in Samaná maternal mortality reaches the highest levels of the country, more than doubling the national average, with rates of 235 to 192 maternal deaths per 100,000 births. Women are overall more likely to be affected by shocks than men due to higher economic stress, additional burden of caregiving, disruption of family ties, increase in domestic violence and migration, limited access to and control over resources (property rights, land, and financial resources), and lower representation in decision-making processes. Dominican women, especially in rural areas, have less access to resources such as land ownership, credit, training, information, and technology, among others, all of which limit their ability to adapt to climate change.¹⁹ Moreover, the impact of Hurricane Fiona is expected to worsen the food security situation and the nutritional status of children under the age of five years, and pregnant and lactating

¹⁴ Based on the World Bank Global Rapid Post-Disaster Damage Estimation (GRADE) for the DR. This assessment does not include economic losses associated with service disruptions and the loss of jobs and livelihoods.

¹⁵ <http://mapainversiones.economia.gob.do/Gestion/Emergencia>

¹⁶ <https://presidencia.gob.do/decretos/537-22>

¹⁷ Ministry of Public Health; Ministry of Education; Ministry of Agriculture; National Institution of Price Stabilization (INESPRE); Ministry of Public Works and Communications (MOPC); Housing Ministry; Ministry of Presidential Administration; Ministry of Tourism; National Health Service; Essential Medicine Program and Logistical Support Center (PROMESE-CAL); Presidential Plan for Social Assistance; Food Service Providers for Low-Income Households (*Comedores Económicos del Estado Dominicano*); Presidential Commission for Regional Development Support; Presidential Commission for Neighborhood Development Support; National Institute of Drinking Water and Sewerage (INAPA); National Institute of Hydraulic Resources (INDRHI); Aqueducts and Sewerage Corporation of Santo Domingo (CAASD); Power Transmission Company (ETED); Power Distribution Company of the East (EDEESTE); Power Distribution Company of the North (EDENORTE); Civil Defense.

¹⁸ Human Development Map of the Dominican Republic, United Nations Development Programme (UNDP).

¹⁹ Gender Action Plan and Climate Change Dominican Republic (PAGCC-RD) 2018



women in the areas affected by the hurricane. Data from the acute malnutrition surveys (May 2021) estimate that food insecurity reaches 42 percent and 47 of households with children and pregnant women respectively.²⁰

B. Sectoral and Institutional Context

8. **The GoDR has laid a strong foundation to incorporate disaster risk management (DRM) and climate change adaptation (CCA) into its policy and regulatory environment.** DRM Law 147-02 of 2002 established the National System for Prevention and Mitigation of Disaster Risk integrating the general principles of risk reduction in the country's development planning. The National Emergency Commission was set up as the governing body for the DRM system in the country. In 2012, the GoDR reaffirmed its commitment to reduce vulnerability to climate and disasters risks through the prioritization of DRM and CCA in the National Development Strategy 2030. The main policy instruments in place are the National Plan for Disaster Risk Management (*Plan Nacional para la Gestión Integral del Riesgo de Desastres*) and the National Plan for Seismic Risk Reduction (*Plan Nacional de Reducción del Riesgo Sísmico*), both approved by Presidential Decree 275-13 in 2013. In 2015, the DRM legal framework was further strengthened with an emphasis on climate change, through approval of the National Climate Change Policy by Decree No. 269-15 to better cope with and adapt to climate change and promote a low-emission and climate-resilient development, including through the national system of planning and public investments. In 2016, the National Adaptation Plan for Climate Change in the Dominican Republic was created. In 2018, the GoDR developed the Gender and Climate Change Plan for Action that established gender sensitive objectives to reach equity on nine strategic national sectors affected by climate change. In 2021, the Vice Ministry of Territorial Planning and Development and the Directorate for Disaster Risk and Climate Change Management were created (Law No. 10-21), and their main function was to define and monitor implementation of the cross-cutting risk management policy. Comprehensive risk management is incorporated as a cross-cutting theme in the Public Sector Multi-Year Plan 2021-2024 (*Plan Nacional Plurianual del Sector Público 2021-2024*).

9. **Over the recent years, the GoDR has also implemented a set of critical reforms for disaster risk reduction and emergency preparedness and response.** In 2016 the GoDR started, with World Bank support,²¹ to mainstream DRM and CCA at the sectoral level, including health, education, water resource management, public investment, construction, fiscal management, and social protection. The reforms helped address institutional gaps within the responsible ministries to better understand disaster risks and include them in planning processes, and established risk and resilience norms and standards in the national public investment system, health, and construction sectors. As of 2021, with further World Bank support,²² the GoDR has been undertaking reforms of the national framework for DRM and CCA through a new legal mandate for risk-informed territorial planning at the national, regional, and municipal levels, including a unified planning regions approach, a new institutional framework for the production and use of geodetic data underpinning disaster risk information, and a new institutional framework for housing and public buildings with a focus on increasing the resilience of the construction sector. A second set of reforms aimed at enhancing the country's preparedness for natural adverse events through: (a) its first disaster fiscal risk strategy, and (b) the foundation of a national Adaptive Social Protection system in emergency contexts with the creation of SUPERATE, the umbrella social assistance program with a mandate to coordinate all non-contributory social protection programs countrywide, and its emergency unconditional cash transfer (*Bono de Emergencia, BE*),

²⁰ United Nations Hurricane Fiona Situation Report No.2 for the DR (September 28, 2022)

²¹ Dominican Republic DRM Development Policy Loan (DPL) with Catastrophe Deferred Drawdown Option (CAT DDO) (P159351, closed on February 28, 2021).

²² Dominican Republic Second DRM DPL with Cat DDO (P178122, approved on December 2, 2022)



including the overhaul of the universal Single Beneficiary Registry (*Sistema Único de Beneficiarios*, SIUBEN) and the digitalization of the payment system (see Annex 2).

10. **One of the main drivers of climate-induced disaster risk in the DR is the rapid but often unplanned urbanization and insufficient spatial planning.** According to official estimates, in 2020, 82 percent of the Dominican population resided in urban areas.²³ By 2050, 92 percent of the population of the DR will be living in urban areas. However, most urban growth is happening without planning instruments to guide it and without considering hazard exposure. Floods of low to medium return period regularly affect the country's public infrastructure and housing stock, often built in high flood risk areas. These floods are predicted to worsen due to the effects of climate change. According to the Global Facility for Disaster Reduction and Recovery (GFDRR),²⁴ 26 out of the DR's 32 provinces have high exposure to river floods. Multiple sources of coastal flooding risk endanger the DR's large coastline, due to sea level rise and the occurrence of tropical storms, hurricanes, or tsunamigenic earthquakes. The Urbanization and Territorial Review of the DR²⁵ found that most municipalities lack territorial and land use plans, resulting in a significant expansion of built-up areas along the coastline and in flood-prone zones. Just 4 municipalities out of 158 had an approved municipal territorial and land use plan in 2021, resulting in a significant expansion of built-up areas, including along the coastline and in flood-prone zones. The metro area of Santo Domingo and the provinces of Santiago and La Vega have the largest built-up surface located in flood-prone areas, with 14.3, 12.6, and 12.5 km², respectively.²⁶ Rapid urbanization has taken place in coastal areas in the wake of tourism development. Between 1996 and 2015, one quarter of the built-up surface in the DR was constructed near the ocean (less than 3 km away).²⁷ In addition, mangrove areas halved between 1980 and 2005; together with degraded coral reefs, this is resulting in beach erosion, which, in turn, increases exposure and vulnerability of coastal areas to climate-induced adverse events.²⁸

11. **The GoDR recognized the critical need to improve the national regulatory framework for risk-informed territorial planning instruments.** The DR's Strategic Development Plan 2030 and the DR's Constitution of 2015 include the first policy guidelines to integrate territorial planning in development planning and define a new regulatory framework for this purpose. The new territorial legislative package comprises key reforms for incorporating risk-informed land-use planning as an integral part of territorial planning that include: (a) a *Law on Territorial Planning, Land Use, and Human Settlements* (enacted by the President on December 22, 2022 [Law No.368-22]), and (b) a *Law on Unified Planning Regions* to harmonize the planning territorial divisions across the GoDR ministries and agencies (adopted in August 2022 [Law No. 345-22]). Fostering better development planning at regional-municipal levels with a comprehensive approach to the specificities of territory-wide sustainable development was recognized among the key steps to advance on the agenda. The DR's municipalities play an

²³ Urban areas are municipal heads or municipal districts, according to the Oficina Nacional de Estadística, "*Estimaciones y proyecciones de la población urbana por año calendario, según sexo y grupos quinquenales de edad, 2000-2030*". Urban population is defined by the GoDR as the people who live in the heads of the municipalities or municipal districts; the rest of the population that does not reside in these areas is considered rural population.

²⁴ ThinkHazard database, GFDRR, 2020. <https://thinkhazard.org/en/report/72-dominican-republic/FL>

²⁵ Restrepo Cadavid, Paula, and Diana Tello Medina, eds. 2022. *Paving the way for prosperous cities and territories: Urbanization and Territorial Review of the Dominican Republic*. Washington, DC: World Bank.

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099520007132233569/p172715065b95b0bc08ce70a7fe6442f014>.

²⁶ A significant increase was also experienced in the provinces of San Cristóbal and the touristic provinces of Puerto Plata and La Altagracia.

²⁷ Coastline urbanization has been most pronounced in the easternmost municipality of Higüey, where 40 percent of the built-up area that was constructed in the same period along the coastline, responding to the increased demand from the tourism sector.

²⁸ Food and Agriculture Organization. 2007. *The world's mangroves 1980-2005*.



important role in territorial planning. Their responsibilities (Law 498-06, Articles 14 and 15) include enforcing territorial planning and urban planning, and land management and urban planning disciplines. However, the municipal capacity required to develop planning instruments (and their implementation) remains poor, and technical capacity is limited for engaging in participatory formulation of planning instruments. Moreover, as analyzed by the above referenced Urbanization and Territorial Review of the DR (2022), basic and thematic information required to develop climate and disaster risk-informed territorial planning instruments is missing, and there is no hazard and risk information at the municipal level.

12. **The recently approved Law on Territorial Planning, Land Use and Human Settlements²⁹ has been a significant step to help address the above challenges and strengthen development planning.** The enactment of this Law had been pending since the first proposal in the DR's Constitution of 2015³⁰. The Law establishes principles, instruments, and criteria governing land use and territorial planning in the DR T, at different political-administrative levels, following CCA, environmental, cultural, economic, social, risk management, and sustainability guidelines. The Law establishes that the Ministry of Economy, Planning and Development (Ministerio de Economía, Planificación y Desarrollo, MEPyD) will be responsible for supervising public investments and ensuring that the above referenced principles, instruments, and criteria are applied in the country. It mandates the development of national, regional, and municipal territorial and land-use plans, in a risk-informed manner, that is, protecting private and public infrastructure and interests from adverse natural and climate-related events, as well as preserving natural assets. According to the Law, planning in the territory should, among other things, define the limits of the urban territory, urban conglomerates, central urban areas, and metropolitan areas, and establish rules for measuring these, enforcing risk-informed planning of the territory. Eight criteria are identified to guide territorial and land-use plans, including those supporting DRM, climate resilience, and the protection of biodiversity in the country.³¹ In addition, the Law specifies the criteria for assigning urban land, which include the following: (a) it should not increase vulnerability on buildings close to geological faults, riverbeds, landslide areas, or marine/river flooding; (b) it should not affect environmental sustainability by substituting areas of mangroves or coastal-marine ecosystems, mountains and caves, for buildings intended for residential, tourist, or commercial use, among others; and (c) building land should not be assigned in places where there are probabilities of overflow of waters, landslides, or any condition that constitutes a danger to life or property.³² Finally, the Law mandates the owners of non-urban land to maintain the land in such condition as to avoid risks of erosion, fire, or flooding.

²⁹ Law on Territorial Planning, Land Use and Human Settlements (Law No. 368-22) was enacted by the President of the DR on December 22, 2022. <https://presidencia.gob.do/leyes/368-22>.

³⁰ Article 194 of the DR's Constitution of 2015, "priority of the State the elaboration and execution through a Law for a Territorial and Land Use Plan".

³¹ The eight criteria for territorial and land-use plans are: (i) consideration of the natural characteristics of the territory so as to ensure sustainability in coastal-marine, mountain, valley, and plain areas; (ii) development of the potential of the territory to promote new opportunities for development while ensuring improved quality of life for the population; (iii) adaptation and resilience to climate change as a way to provide better living conditions for the population in light of climate related changes in weather patterns; (iv) protection of biodiversity as a way to provide an ecologically sustainable territory, as well as ecological corridors that link different territories; (v) water efficiency as a way to protect the sustainability of hydrographic basins, and the use of water for domestic, productive, and environmental purposes; (vi) equal opportunities as a way to ensure access to the population to more sustainable territories, with better conditions for access to services, infrastructure, employment, economic development, recreation and the exercise of collective and diffuse rights; (vii) prevention and mitigation of the vulnerability of the territory as a way to reduce the levels of exposure to climate-induced natural disasters and anthropic actions that affect human settlements; and (viii) territorial cohesion as a way to promote landscape continuity of infrastructure services between territories.

³² In addition to these criteria, three additional criteria are included in the bill: (i) it should not affect the land use for agricultural purposes,



13. **A response to the immediate and most critical reconstruction and rehabilitation needs from Hurricane Fiona, while also proactively supporting measures required to build resilience to disaster and climate risks is required.** This response will need to consider sustainable approaches and building resilience to disasters and climate change through structural strengthening of infrastructure and increasing emergency response capacity for hurricanes, flooding, and other hazards. It will also include supporting the GoDR and municipalities to achieve their vision for a sustainable, resilient, climate adaptive, and inclusive development, while promoting approaches to embed inclusion, resilience-building, and adaptation to climate change in emergency recovery and reconstruction and planning efforts.

C. Relevance to Higher Level Objectives

14. **The project is aligned with the WBG’s FY22–26 CPF for the DR, discussed by the World Bank’s Board of Executive Directors on March 29, 2022.**³³ It builds on the recommendations of the 2018 SCD for the DR for improving resilience to disasters. Specifically, the project will contribute to High Level Outcome 3 of the CPF by supporting increased resilience to climate change. Under Objective 3.3, ‘Improve disaster risk management and asset resilience’, the CPF brings forward the need for actionable policies, investments, and programs to advance the climate resilience agenda for a more inclusive and green growth model in the DR.

15. **The project will also contribute to the World Bank’s twin goals, as well as the WBG Climate Change Action Plan (2021-2025), Gender Strategy (2016–2023), the WBG Commitments on Disability-Inclusive Development and the Green, Resilient and Inclusive Development (GRID) approach.** The project will contribute to reducing extreme poverty and will boost shared prosperity by supporting the recovery and rehabilitation of infrastructure and services affected by Hurricane Fiona and strengthening the resilience and adaptation of the DR and its vulnerable population to climate change and future adverse events. This exogenous shock has rolled back development gains and has disproportionately pushed vulnerable communities into poverty. The project is aligned with Objective 4 of the World Bank’s Gender Strategy by supporting recovery strategies that increase women’s voice and decision-making processes in DRM and planning. In line with the WBG Commitments on Disability-Inclusive Development Commitment 5,³⁴ the project will incorporate universal access design features for reconstruction efforts.

16. **The project also contributes to the World Bank’s Global Crisis Response Framework (GCRF).** The GCRF provides a framework for the WBG’s operational response to the multiple current crises between April 2022 to June 2023. More specifically the project will contribute to the GCRF’s Pillar 3 - Strengthening Resilience, through supporting the rehabilitation and reconstruction of critical public and community infrastructure under Component 1 that will be designed in line with climate- and disaster-resilient standards to increase assets’ resilience and disaster preparedness and reduce risk. It will also contribute to GCRF’s Pillar 4 - Strengthening Policies, Institutions, and Investments for Rebuilding Better by identifying and supporting paths to build long-term resilience, through strengthening institutional capacity to enhance resilient and inclusive territorial planning and information systems for disaster risk assessment and response under Component 2. The project focuses on ensuring that interventions target the most vulnerable while also advancing longer-term resilience and sustainability. The project aims to structure its support around the principle of rebuilding better and to address the critical needs of reconstruction

either by expansion of urbanized land or by the location of some use of the land itself; (ii) its housing density should not affect the use of facilities and public space in existing urban areas; and (iii) the urban land should guarantee the continuity of road network and service infrastructure with adjacent and/or continuous land.

³³ Report No. 167896-DO

³⁴ <https://www.worldbank.org/en/topic/socialsustainability/brief/world-bank-group-commitments-on-disability-inclusion-development>



while making investments that allow the DR to increase its resilience to climate change and be better prepared for the impacts of future climate-triggered events. Building disaster and climate resilience in municipal infrastructure and increasing disaster response capacity in municipalities directly contributes to sustained development and reduces the physical, fiscal, and social shocks of disasters. Due to Hurricane Fiona, many critical services have been disrupted and infrastructure damaged, highlighting the need to urgently invest in more disaster- and climate-resilient infrastructure and services. This includes, where possible, rebuilding in a manner that considers location of structures, incorporates resilience planning, and utilizes more climate- and disaster-resistant materials. The project also aims to invest in low carbon technologies and more inclusive infrastructure. It is also expected to drive increased employment in the construction sector, including generating low-skilled jobs.

II. PROJECT DESCRIPTION

A. Project Development Objective

Project Development Objective (PDO) Statement

17. The objectives of the project are to support the Dominican Republic's emergency response and recovery needs and to strengthen its institutional capacity to manage risks posed by natural hazards and the effects of climate change.

PDO Level Indicators

18. **Indicative indicators for tracking progress toward the PDO are as follows:**

- Affected population who have benefitted from emergency support provided by the GoDR (Number; disaggregated by sex)
- Affected population who have benefitted from resilient reconstruction and rehabilitation of critical infrastructure (Number; disaggregated by sex)
- Subnational entities supported by the Project with risk-informed and inclusive territorial planning instruments (Number)
- National Territorial Information System (SNIT³⁵) established with a risk assessment dataset, providing information to national and subnational institutions (Text)

B. Project Components

19. **Project activities will focus on recovery, rehabilitation, and resilient reconstruction in areas heavily affected by Hurricane Fiona, and support to the GoDR's capacity for disaster risk preparedness, response and recovery.** The project focuses on alleviating and mitigating the impacts of hurricane on population in the areas directly affected by the hurricane. The project also contributes to institutional strengthening for disaster and climate resilience to integrate risk-informed, resilient, climate adaptive, and inclusive territorial planning to enhance disaster and emergency response capacity at the national and subnational levels. The project has three

³⁵ SNIT = *Sistema Nacional de Informacion Territorial*



components:

Component 1: Recovery, rehabilitation, and resilient reconstruction (US\$100 million)

Subcomponent 1.1: Emergency disaster recovery (US\$40 million)

20. **This subcomponent will finance expenditures incurred in undertaking the above-mentioned emergency response in the wake of the hurricane.** Immediate relief and response measures are expected to be largely undertaken by the GoDR before the project is declared effective. This subcomponent will provide emergency disaster response support (including retroactive finance) to affected population through, *inter alia*, the financing of: (a) emergency cash transfers; (b) emergency evacuation and rescue support, including the purchase of reconstruction supplies and construction equipment; (c) renting of transport equipment; (d) fuel; (e) acquisition and distribution of food and non-food items; (f) personal protective equipment; (g) short and long-term sheltering; and (h) medical supplies and medical protective equipment.

21. **The project will reimburse the amount of the emergency cash transfers made by the GoDR in 2022 in response to Hurricane Fiona.** Emergency cash transfers³⁶ will support households in communities affected by Hurricane Fiona and will be implemented through an existing umbrella social protection framework program, SUPERATE, which provides poor and vulnerable households with economic support and serves as a fast-acting shock-responsive mechanism, embedded in its regular package of social assistance and cash transfer programs. SUPERATE has an explicit gender-oriented transversal approach. It prioritizes women across its different components. SUPERATE targets its beneficiaries through SIUBEN, the existing national social registry that identifies and registers beneficiary households according to their level of economic and social vulnerability.³⁷ There are 60.1 percent of the households registered in SIUBEN that are headed by a woman, with 39.5 percent of them categorized as extreme poor and poor (*Índice de Calidad de Vida* – ICV1 and ICV2 groups, respectively).³⁸ Support will be prioritized and may include a differentiated vulnerability criteria for populations in affected provinces: La Romana, El Ceibo, La Altagracia, San Pedro de Macoris, Samaná, Hato Mayor, Duarte, Maria Trinidad Sanchez, and Monte Plata.

22. **SIUBEN is in charge of identifying the degree of the household loss through the Basic Emergency Instrument/Form (*Ficha Básica de Emergencia*), which will collect information and categorize households according to the level of loss,³⁹ and provide a list of eligible beneficiaries to SUPERATE.** SUPERATE will use this list to prepare and verify the payroll and submit it to the Administrator of Social Subsidies Service (*Administradora de Subsidios Sociales*, ADESS). SUPERATE will also use the following prioritization criteria in case resources allocated to this emergency are insufficient to cover all affected households: level of loss, household vulnerabilities (households with children less than 5 years of age, single female-headed households, elderly, and

³⁶ The *Bono de Emergencia* was activated for the first time through administrative resolution number 001-2022 issued on September 23, 2022, by the emergency committee of SUPERATE and signed by the General Directors of SUPERATE, ADESS, and SIUBEN. The *Bono de Emergencia* is an unconditional, free use, and temporary cash transfer to alleviate the impact of emergencies. This resolution identifies the affected provinces, the eligibility and prioritization criteria for households to receive the benefits, the size and temporality of the benefits, the payment mechanism, and other governing principles to transparently deliver the transfers.

³⁷ The policy reform for the creation of the program and the institutionalization of emergency cash transfers to respond to disasters and other climate change related shocks is supported under the World Bank's Dominican Republic Second DRM DPL with Cat DDO (P178122).

³⁸ SIUBEN establishes four groups of beneficiaries according to the Quality of Life Index (*Índice de Calidad de Vida*) – ICV1, ICV2, ICV3 and ICV 4. Extremely poor families are classified under the ICV-I category and moderately poor families are classified under the ICV-II category.

³⁹ Households are considered affected when there is a reduction in their income, loss of assets and reduced consumption of essential goods. The levels are low, medium, high and very high.



disability, among others), and ICV level.⁴⁰ The level of loss will determine the temporality of the monthly transfer set at RD\$ 5,000 (approximately equivalent of US\$91.5). ADESS will be in charge of delivering the transfers using different payment mechanisms: the SUPERATE cash cards, electronic transfers, remittances, or non-endorsable checks.

23. **This subcomponent will support female-headed households by providing them with emergency cash transfers to enable their ability to resume economic activities in the post-hurricane context while decreasing their exposure and vulnerability.** A survey will be carried out to evaluate the effect of the emergency cash transfers for female-headed households in terms of their economic resilience and consumption levels. In this case, resilience means households' ability to recover from non-monetary losses related to floods.

24. **The Project Operations Manual (POM)⁴¹, subject to prior review and 'no-objection' by the World Bank, will provide additional details on the targeting criteria under this subcomponent.** All retroactive financed expenditures will be subject to screening and will be categorized according to their environmental and social (E&S) risks with rapid environmental and social (E&S) assessment to be undertaken. For emergency cash transfers, the POM will need to include detailed information about flow of funds, monitoring procedures, and control measures applied to ensure compliance with the eligibility criteria. In addition, the associated disbursement category will be subject to an external verification of cash transfer payments and application to ADESS of WBG Anti-Corruption Guidelines for delivering the cash transfers financed under this project.

Subcomponent 1.2: Rehabilitation and reconstruction of selected critical public and community infrastructure (US\$60 million)

25. **During disasters, the continued operation of critical public infrastructure is key to guarantee an efficient response and recovery.** A significant share of public and community infrastructure (such as roads, bridges, drainage systems buildings) was heavily damaged and/or destroyed by the hurricane. Based on the analysis of damages and government strategy for rehabilitation, this subcomponent will finance the technical preparation (including technical specifications, surveys, and/or design activities), implementation of urgent repairs, and resilient rehabilitation, reconstruction, or construction of prioritized public and community infrastructure, including the supervision of civil works. In some cases, demolition will be required to clear the way for reconstruction/construction and urgently remove debris hazards.

26. **As reconstruction needs far exceed the financing available under this subcomponent, the GoDR will provide a prioritized list of public infrastructure in need of rehabilitation or reconstruction, which will be subject to the World Bank's prior review and 'no objection'.** Indicative prioritization criteria for the critical public and community infrastructure include: (a) addressing damage and criticality levels to ensure that structures made most vulnerable by Hurricane Fiona support life safety and enhance resilience; (b) repairing and rehabilitating partially damaged infrastructure, as opposed to new construction, to ensure that existing structures are strengthened to withstand and recover from future disaster and climate change shocks and enhance their CCA considering the increasingly severe impacts of climate change in the future; (c) emphasizing sectoral relevance to

⁴⁰ ICV measured by SIUBEN reflects household deprivations in access to basic services (electricity, sanitation, and water), housing materials (roof, walls, and floor), durable goods and education (level of education of household head, average education and literacy of household members, and school attendance of children ages 6–14), and the level of overcrowding and the share of under-fives in the household, all measured through 15 variables. Those variables get combined through statistical techniques to produce a score which serves to classify households according to four categories: ICV1: Extreme poor, ICV2: Moderate poor, ICV3: Non-poor but vulnerable, and ICV4: Non-poor.

⁴¹ The POM will be a condition for project effectiveness.



focus public sector investments to improve the reliability of service delivery and increase asset life, while reducing the risk of climate-related disruptions; and (d) maximizing benefits for vulnerable populations and leveraging opportunities for inclusive and resilient development. To ensure this, all investments supported under the project will be designed to be resilient to climate-induced events such as floods, storm surges, and landslides and better able to cope with climate impacts when they materialize. This will include using climate-resilient design and structural adaptation measures that would increase assets' resilience to higher return period events (that is, enforcing building code legislation compliance or upgrading from its provisions where needed) and be embedded within a strategic approach to infrastructure network to account for the direct and indirect effects of climate change and climate variability. Where relevant, selected investments will include appropriate energy efficiency measures such as lighting, more energy efficient equipment, and building and architectural design. Detailed eligibility criteria for the selection of investments will be included in the POM.

27. **The subcomponent plans to identify the specific gap in female-to-male participation rates in disaster recovery reconstruction decision-making.** To ensure equal participation and representation in the decision-making processes, the project will integrate mechanisms for safeguarding women's opinions and guarantee the implementation of their ideas in the recovery process.

28. **The activities supported under Component 1 present important contributions to the GoDR's emergency recovery efforts and support reconstruction/construction of critical infrastructure objects to minimize the effects of future nature-caused disasters and increase resilience to climate change.** Component 1 will be implemented by the Ministry of Presidency (*Ministerio de la Presidencia*, MINPRE) through a Project Implementation Unit (PIU) that will coordinate with the pertinent line ministries for the carrying out of activities related to their technical expertise areas.

Component 2: Support to the Government's capacity for disaster risk preparedness, response, and recovery (US\$89.5 million)

Subcomponent 2.1: Enhancing Resilient and Inclusive Territorial Planning and Development (US\$39.5 million)

29. **One of the most important factors enabling resilient development and supporting CCA is strengthening the country's territorial planning system.** This requires not only the strengthening of the regulatory framework – supported by the recently approved Unified Planning Regions Organic Law No. 345-22 and Territorial Planning, Land Use, and Human Settlements Law No.368-22 – but also the strengthening of institutions at different levels of government, the generation of risk-related spatial data at the right scale and an active engagement with subnational governments so that they have the inputs required to develop climate and disaster risk-informed land use planning instruments and guide reconstruction efforts. The World Bank is in a unique position to support this engagement, as it builds on more than three years of a technical assistance program through the Enhancing Resilient Territorial Development in the Dominican Republic (P172715) advisory services and analytics (ASA).

30. **This subcomponent will focus on supporting different levels of the GoDR and will concentrate on three key areas of engagement:** (a) enhancing the capacity at the GoDR's national and subnational levels for territorial planning through the design and implementation of a Capacity Building Program to better incorporate climate-change and DRM; (b) supporting the development of risk-informed territorial planning instruments that incorporate climate-change and DRM at the national and subnational levels; and (c) strengthening the GoDR's National Territorial Planning System and SNIT and rolling –out the territorial planning reform, including, inter alia: (i) its operationalization, including the incorporation of disaster risk information and climate data, (ii) developing



standards, manuals and methodologies for effective citizen participation including socially inclusive and gender-sensitive approaches, sustainability, transparency and digital transformation, , and (iii) providing technical assistance for the development of regulations and/or complementary norms, including the incorporation of disaster-and climate-related risk into territorial planning instruments.

31. **Subnational entities benefiting from the targeted support to develop climate-change- and disaster-risk-informed territorial planning instruments will be prioritized including the following criteria:** (a) regions and municipalities affected by Hurricane Fiona; and (b) subnational entities with a high exposure to climate and non-climate related hazards and facing strong development pressure (economic importance and population growth). Subnational entities participating in this component will also need to demonstrate a strong commitment to strengthen their institutional capacity for territorial planning and lead the process at the subnational level.

Subcomponent 2.2: Strengthening geospatial information systems for disaster risk assessment and response (US\$25 million)

32. **Land and geospatial data provide critical inputs to disaster prediction and mitigation, emergency response, and post-disaster reconstruction and recovery.** Decision-makers need to have access to high quality information and consistent data to adapt planning and account for climate change. Disaster risk information and climate data help in understanding hazards and exposure and the vulnerability of people and assets, and this is the first step towards managing disaster risk and improving overall climate adaptive capacity. Geospatial information allows storing, managing, and disseminating data essential for assessing risks, planning responses to disaster events, and adopting mitigation measures. Geospatial data is critical for all phases of disaster management. Restoring road networks, transportation, water supplies, and sewage systems requires detailed data about topography, elevation, soil stability, and subsurface structures. This information is not available with sufficient geographic resolution for infrastructure planning and to support decision-making in the DR under climate change uncertainty. Moreover, if those trying to undertake relief work do not have maps of the areas they are working in, rescue efforts will be compromised, and the provision of emergency aid will be difficult. If data on topography, elevation, soils, and subsoil structures are not available, the engineering works necessary for recovery and reconstruction will be more expensive and demanding.

33. **This subcomponent will focus on supporting the GoDR in building capacity for emergency response and resilient development based on reliable geospatial data and risk mapping, which are used for setting up disaster risk mitigation actions and recovery and reconstruction programs,** aiming for better management of disaster-and climate- related risks and CCA. Building stronger capacities for emergency response, resilience, inclusive territorial planning, and damage assessment demands reliable cartography and geospatial data (for example, topography, elevation, slopes, soil stability, floodable areas, and housing) to establish and monitor mitigation actions, recovery and reconstruction programs, territorial plans, and a territorial planning system for climate change mitigation and adaptation. It will include the following activities:

- (a) **Strengthening the DR's National Spatial Data Infrastructure** (*Infraestructura de Datos Espaciales de República Dominicana*), which includes: (i) completion of the cartography regulations and standards on geospatial data quality model (ISO 191157), catalog of geographic objects for digital base cartography (ISO 19110), interoperability and geospatial services, and the definition of an action plan



to complete the fundamental geospatial datasets⁴² and data governance policy; (ii) development and implementation of key interoperability geospatial services for national public entities, municipalities, and citizens; and (iii) strengthening of technical capacity and generation of geospatial competencies for the production and use of standardized and interoperable geospatial data.

- (b) **Strengthening the geodetic network and modernization of the existing national geodetic reference to serve as a unified, accurate, and reliable national reference for positioning services and geospatial data management.** It includes the following: (i) completion and approval of the Strategy on the Geodetic Reference Frame; (ii) extension of the public Continuously Operating Reference Stations (CORS) network⁴³; (iii) Setting up the National Network Control Center to facilitate combining the existing private sector CORSs into a unified CORS network; (iv) establishment of the country's gravimetric network, national vertical reference frame, and geoid model; and (v) training and capacity building.
- (c) **Production of the base cartography to complete the country's urban and rural official maps and the establishment of a geoinformation database,** including the following: (i) completion and approval of the National Mapping Plan that defines differential scales for urban and coastal areas (1:2,000 to 1:5,000), and rural and sub-urban areas (1:10,000 to 1:25,000); (ii) modernization of cartography and quality control standards to contribute to CCA; (iii) acquisition of geospatial data (multispectral satellite images, unmanned aerial vehicle and/or aerial photography) and imagery georeferencing, and generation of the digital terrain and digital elevation models; (iv) post-processing of orthoimagery and production of digital cartographic datasets; (v) consolidation of a geoinformation and cartography database and georeferenced imagery bank; and (vi) training and capacity building.

34. **Activities supported under this subcomponent present a critical input for territorial planning, land use management, and DRM.** Together, this leads to a stronger capacity to respond to future nature-caused disasters and increase resilience and adaptation to climate change. The technical implementation of these activities will be led by the National Geographic Institute (*Instituto Geográfico Nacional, IGN*) which is a technical institution under MEPyD that is leading the overall implementation of Component 2. The coordination and reporting mechanism between the two will be included in the POM.

Subcomponent 2.3: Supporting institutional capacity for damage assessment and disaster preparedness (US\$25 million)

35. **Stronger and standardized disaster risk and damage assessment systems, along with long-term planning, are critically important for DRM, including the identification of impact, priority needs, and interventions post disasters.** This process involves the participation and coordination of multiple stakeholders and inputs of multiple layers of information which should be maintained and updated. For long-term planning, public investments and national norms should be informed by accurate climate and disaster risk considerations, and the decision-making process should integrate risks (hazard, vulnerability, and exposure), weather, and climate

42 The Global Fundamental Geospatial Data Themes: Geodetic Reference Frame, ortho-imagery, elevation and depth, geology and soils, geographical names, cadaster/land parcels, land cover and land use, water, physical infrastructure, building and settlements, addresses, transport networks, population distribution, and functional areas. https://ggim.un.org/meetings/GGIM-committee/9th-Session/documents/Fundamental_Data_Publication.pdf

43 CORSs support positioning services and the obtention of geographic coordinates for cartography, meteorology, geology, territorial planning, and risk mapping, among other uses.



information for better planning and preparedness for disasters that may be caused by natural hazards. The focus of this subcomponent will be on strengthening the institutional and technical capacity of the GoDR to improve and establish processes for better assessments of disaster risk at the largest scale possible, the assessment and quantification of loss and damage for post-disaster recovery, and greater integration of climatic risks information in the decision-making processes.

36. The subcomponent will include activities such as the following:

- (a) Strengthening the instruments of risk analysis and assessment and mapping prioritized territories (including the concentration of vulnerable and at-risk populations).
- (b) Strengthening the risk assessment databases and their interoperability with SNIT and institutional capacity building at national and subnational levels.
- (c) Improving the information system for DRM and climate action, including through (i) enhancement of the use of the GoDR's Damage Assessment System (*Sistema de Recopilación y Evaluación de Daños*), (ii) institutional strengthening of early warning services at the national and subnational levels and integration of weather and climate information in building national resilience and strengthening adaptation, and (iii) establishment of the system for monitoring and evaluation (M&E) of the DRM and climate change policy.
- (d) Integrating climate risks analysis and climate risk requirements into the GoDR's public investment system (*Sistema Nacional de Inversión Pública*) and training institutions for its application.
- (e) Developing capacities of the institutions at the national level in DRM and climate change.

37. Component 2 will be implemented by MEPyD through a PIU that will coordinate with the pertinent line ministries and institutions to carry out activities related to their technical expertise areas.

Component 3: Project Management and Monitoring and Evaluation (US\$10 million)

38. This component will finance the costs of the PIUs and other operational costs for project management and M&E.

Subcomponent 3.1: Project Management and Monitoring and Evaluation Support for MEPyD PIU (US\$5 million)

39. This subcomponent will support project management and M&E support for MEPyD PIU in relation to the activities carried out under Component 2 of the project and overall project oversight, including the following:

- (a) building its technical and institutional capacity on, among other areas, project management, procurement, financial management, environmental and social risk management, carrying out of public outreach and dissemination activities, and preparation of technical reports and financial audits of the project; (b) purchase and/or renting of equipment, including fuel-efficient vehicles, information and communication equipment, and office furniture; (c) renting office space; (d) carrying out of refurbishment works within existing government buildings; and (e) operating costs and training.

Subcomponent 3.2: Project Management and Monitoring and Evaluation Support for MINPRE PIU (US\$5 million).



40. **This subcomponent will support project management and M&E support for the MINPRE PIU in relation to activities carried out under Component 1 of the project, including the following:** (a) building its technical and institutional capacity on, among other areas, project management, procurement, financial management, environmental and social risk management, carrying out of public outreach and dissemination activities, and preparation of technical reports; (b) carrying out of an external independent verification of emergency cash transfers; (c) purchase and/or renting of equipment, including fuel-efficient vehicles, information and communication equipment, and office furniture; (d) renting office space; (e) carrying out of refurbishment works within existing government buildings; and (f) operating costs and training.

C. Project Beneficiaries

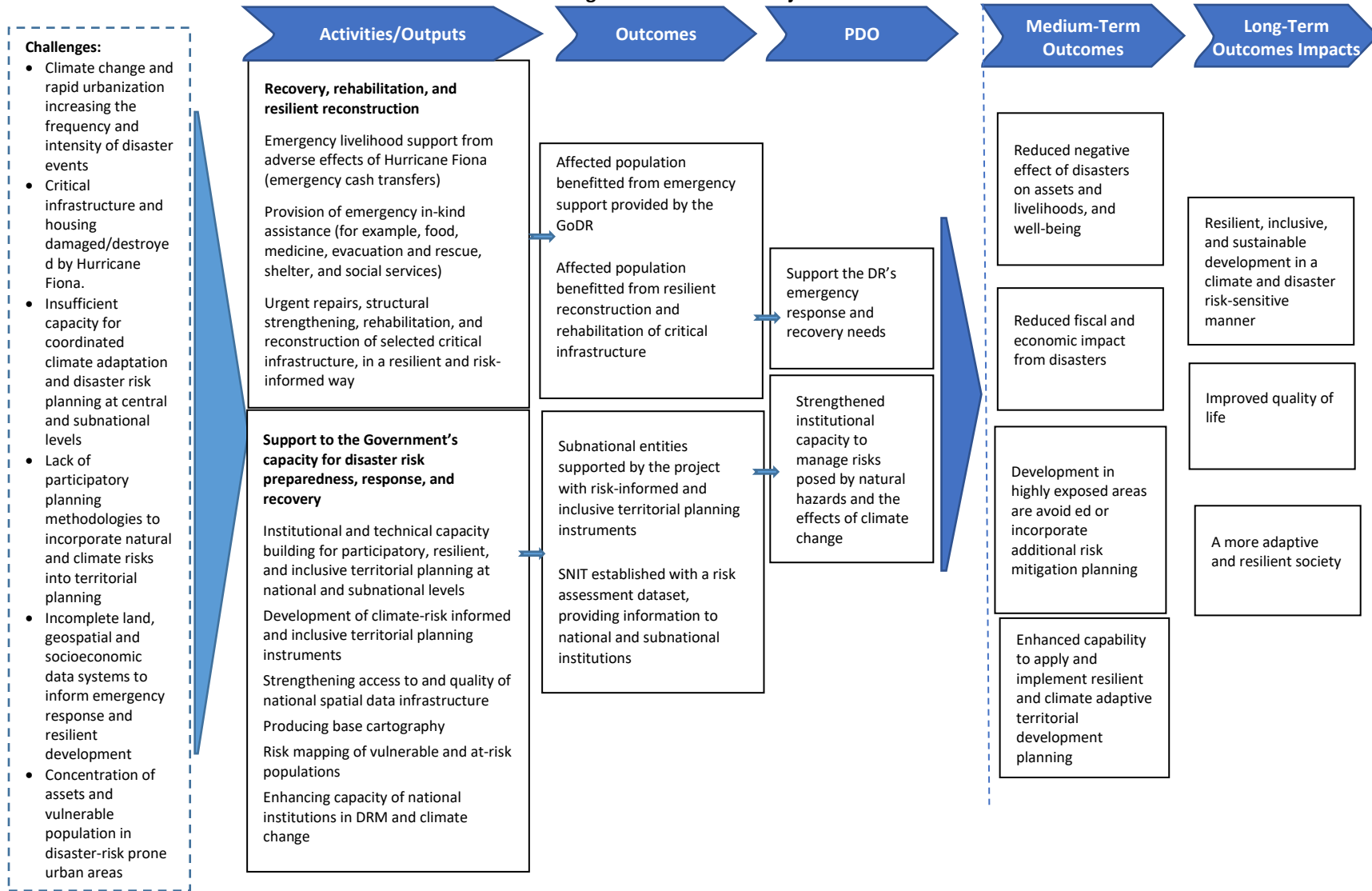
41. **The project will target:** (a) selected communities within the project areas including eight municipalities that were mostly affected by Hurricane Fiona (Hato Mayor, La Altagracia, La Romana, El Seibo, Monte Plata, Samaná, María Trinidad Sánchez, and Duarte) to restore their livelihoods and improve critical infrastructure incorporating climate -resilient standards that would help reduce the communities' vulnerability to natural hazards and adverse effects of climate change, and (b) sub-national entities with access to risk-informed territorial planning instruments that would help reduce climate and disaster risks and better adapt to climate change. The total population of the country is expected to benefit indirectly from the enhanced capacity of the authorities to carry out risk-informed, resilient, climate adaptive, and inclusive territorial planning; build back better critical infrastructure incorporating multi-hazard resistant standards; and respond more effectively and efficiently to disasters. Detailed criteria for the selection of investments and beneficiaries will be further detailed in the POM.

D. Results Chain

42. **To develop the results chain for the project, a Theory of Change (TOC) approach was adopted.** The TOC (figure 1) describes the key development issues addressed under the project and details the activities and outputs that are expected to lead to the selected outcomes in the achievement of the PDO. The TOC also includes medium- and long-term outcomes that go beyond the project timeline, to which the project would contribute to in the future. The critical assumptions or important preconditions for this change to be achieved include: (a) infrastructure procurement processes have adequate market response and advance smoothly; (b) sub-national entities have sufficient capacity to roll out territorial planning instruments and utilize the expanded spatial data; and (c) the central government effectively enforces implementation of the territorial development and land use management agenda.



Figure 1. TOC for the Project





E. Rationale for Bank Involvement and Role of Partners

43. **The project builds on the World Bank’s decades of experience in disaster recovery and resilience.** These include the emergency recovery assistance provided after Hurricane Dean in 2007; Hurricanes Irma and Maria in 2017; and Hurricanes Eta and Iota in 2020, which caused significant impacts on people, livelihoods, and infrastructure. In the Latin America and the Caribbean region, the World Bank is currently involved in several programs for reconstruction and recovery in St. Vincent and the Grenadines from La Soufrière volcanic eruptions in April 2021, in Honduras and Nicaragua from tropical cyclones Eta and Iota in November 2020, and Hurricane Julia in 2022. The project is also a critical vehicle to carry out the development agenda of the GoDR on territorial planning and land use. The World Bank is also supporting efforts to enhance territorial planning and spatial data infrastructure across the region, including through: (a) the recently approved Enabling a Green and Resilient Development DPF series (P177765) and the National Urban Cadaster and Municipal Support Project in Peru (P162278), which support the implementation of Peru’s new Sustainable Urban Development Law, and (b) the Colombian Territorial Development review and DPL series (P158520) that focused on strengthening institutions for land management and territorial planning, resource allocation, coordination, and investment prioritization.

44. **The project also contributes directly to a more resilient territorial development which has been identified as one of the areas critical for guiding reconstruction efforts.** As outlined in the country engagement reports (SCD 2018 and CPF FY2022-26), one of the key factors enabling a more resilient development and supporting climate change adaptation is strengthening the country’s territorial planning system. The World Bank has been supporting this agenda in the country through strong collaboration with MEPYD through the technical assistance program Enhancing Resilient Territorial Development in the Dominican Republic (P172715) ASA. It includes delivering an in-depth sector diagnostic that analyzed the urbanization and territorial development challenges in the DR and developed a road map of reforms to address them (Urbanization and Territorial Review 2022). This provided a strong evidence base for the project design and activities. Additionally, through the Dominican Republic Second DRM DPL with CAT DDO (P178122), the World Bank is supporting a new legal mandate for a risk-informed territorial planning at the national, regional, and municipal levels, and a new institutional framework for the production and use of geodetic data underpinning disaster risk information in the DR. In parallel, with the support to the establishment of a new institutional framework for housing, through the creation of the Ministry of Housing, the World Bank focuses on increasing resilience in the country’s building code (Strengthening Disaster and Climate Change Resilience in the Housing Sector in the DR under the Support to the National Housing Program Project (P176581).

45. **The World Bank has been leading the territorial development and DRM agenda in the DR, among the development and donor partners.** The Inter-American Development Bank (IDB) is initiating its engagement in the DR’s territorial development agenda in complimentary activities to help strengthen municipal capacities in planning, through technical assistance.⁴⁴ In particular, the IDB is working with the municipality of Pepillo Salcedo in the province of Monte Cristi to support the development of a municipal territorial development plan. As part of the current efforts to mobilize funds to address the impacts of the hurricane response financing gap, the GoDR has been preparing a budget support loan from the Central American Bank for Economic Integration.

⁴⁴ <https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-1147863156-1>.



F. Lessons Learned and Reflected in the Project Design

46. **The project has been informed by the World Bank's involvement in multisector post-disaster recovery and reconstruction projects and incorporates experience from the World Bank's operational program in Latin America and the Caribbean and globally.** This includes emergency projects in St. Vincent and the Grenadines (P176943), Honduras (P175977), Nicaragua (P175878), Turkiye (P176608), Bosnia and Herzegovina (P151157), and Mozambique (P171040). The design also builds on the wealth of knowledge products and analytics that distill lessons learned over the decades from operations in DRM, resilience, and adaptation (for example, GFDRR World Bank-Tokyo DRM Hub, and WBG's Independent Evaluation Group's assessments). It also applies the lessons learned under the World Bank's Municipal Development Project (P095863) implemented in the DR in 2010–2017. The following paragraphs provide a summary of the key lessons that have been considered for the Project design.

47. **Taking advantage of the existing implementation arrangements facilitates effective emergency response.** Given the importance of delivering quick results, implementation will be based on existing structures, mechanisms, and capacities built through the World Bank operations and engagement in the country. The implementation arrangements for the project rely on the ongoing World Bank's Support to the National Housing Program Project (P176581). As part of these arrangements, MINPRE, through a PIU, will oversee implementation of project activities under Component 1 'Recovery, rehabilitation, and resilient reconstruction'. MEPyD will oversee the implementation of Component 2 'Support to the Government's capacity for disaster risk preparedness, response and recovery'. This arrangement builds on the long-term engagement of the World Bank through policy dialogue and technical assistance in DRM, resilience, and territorial planning, as well as the Municipal Development Project implemented in the DR (P095863).

48. **Planning for disasters before they strike is essential, along with institutionalizing the culture of continuous enhancement of resilience.** The examples of good practices gathered across various sectors demonstrate the importance of planning. Even though disasters will always be unexpected, if not unprecedented, planning for disasters has benefits both before and after they occur. Also, many past disasters show that resilience is an interactive process that needs to be adjusted and sustained over time, especially before a disaster strikes. Actions to achieve recovery have the potential to support immediate needs and address the challenges to achieve integrated, coordinated, and sustainable territorial development, improving people's quality of life. Investing in planning can significantly outweigh the costs of repairs and reconstruction after disaster strikes, as shown by the World Bank report 'Lifelines: The Resilient Infrastructure Opportunity (2019)'. The project incorporates significant support to strengthen institutional capacity and data systems for disaster risk preparedness, response, and recovery at the national and subnational levels. This reflects the importance of planning to help ensure sustainable, resilient, and risk-informed development. It also highlights that data systems must reflect local conditions and vulnerabilities for effective planning and investments and continuous enhancement of resilience.

49. **Effective project design in emergency operations with clear objectives and a well-articulated TOC to capture how an intervention is expected to influence processes of change and development results is critical.** The potential limitations in establishing outcome-orientation of the M&E in emergency projects (for example, due to lack of data, time constraints, and limited capacity) highlight the importance of a well-articulated TOC and embedded assumptions. A lesson learned is that more elaborate models are not necessarily generating more accurate predictions or explanations of reality, particularly resulting from multisectoral interventions and institutional strengthening that may comprise multiple pathways of change. One single intervention activity can trigger multiple behavioral mechanisms leading to different outcomes. The project defines a clear set of indicators



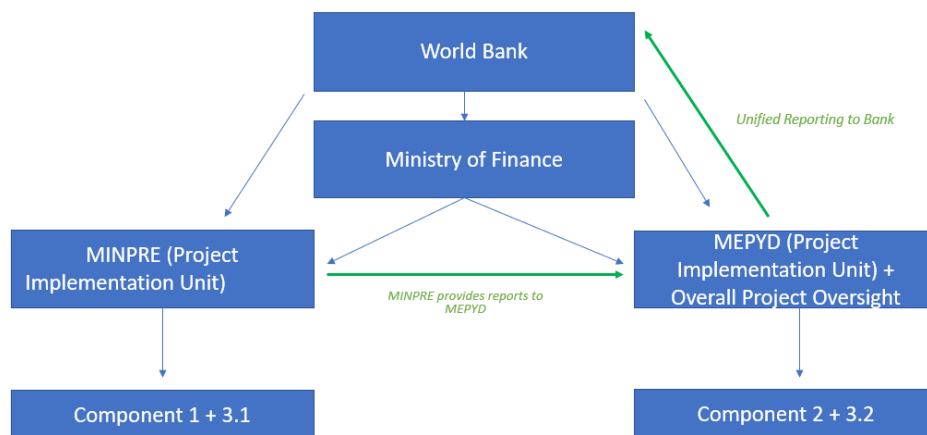
to ensure systematic collection of data to monitor and report on progress. At the same time, the project’s M&E design retains the focus on beneficiaries to reflect that the project’s interventions are designed to ultimately benefit households, communities, and society as a whole.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

50. **The Ministry of Finance designated MINPRE and MEPyD as agencies responsible for the implementation and overall project coordination, planning, and monitoring, through dedicated PIUs.** There will be two PIUs under the project. The need to have two PIUs is justified by the fact that the implementation of project activities requires different sets of competencies and scope of responsibilities. The first PIU will be placed in MINPRE and its responsibilities will be focused on the implementation of Component 1 of the Project. MINPRE already has a PIU established for the World Bank-financed ‘Support to the National Housing Program Project’ (P176581). The same PIU will be used for the implementation of the project; however, the technical capacity will have to be reinforced. The second PIU will be placed in MEPyD and will be focused on the implementation of activities under Component 2. MEPyD will have to form the PIU within the ministry for the implementation of Component 2 and overall coordination. The provisional staff for core functions have been appointed at the preparation stage by the Ministry. In addition to functions required for the implementation of Component 2 of the project, MEPyD will assume the function of overall project oversight and reporting to the World Bank, including consolidation of fiduciary and progress reports, submitted to MEPyD by MINPRE (figure 2). Both PIUs will be financed through Component 3 of the Project. Each PIUs will need core staff, including technical coordinators and specialists in the areas of procurement, financial management (FM), accounting, M&E, social and environmental risk management, and occupational health and safety. Each PIU will be responsible for E&S risk management oversight during the implementation. All project implementation arrangements, including PIUs organizational structure, the role and responsibilities of each PIU within each component, and staff duties and responsibilities, will be detailed in the POM, which will be prepared and adopted as a condition for project effectiveness, and key staff in the PIUs are expected to be hired or appointed no later than three months after effectiveness.

Figure 2. Implementation Arrangements





B. Results Monitoring and Evaluation Arrangements

51. **M&E will be carried out by both implementing agencies, through the PIUs, based on the indicators included in the Results Framework of the project.** Accordingly, the PIUs will: (a) collect, consolidate, and report on project performance data, including physical and financial progress and social and environmental monitoring; and (b) provide periodic information on intermediate project results and progress toward higher-level outcomes (according to the Results Framework). The reports will also include data on grievances and resolutions to enable timely corrective action. Throughout project implementation, the implementing agencies will prepare bi-annual progress reports. The Project will finance the collection of baseline data to assess social, environmental, and economic impacts of key activities. The project outcomes and impacts will be evaluated through outcomes and intermediate level indicators as defined in the project's Results Framework. The PIUs will contract independent consultant(s) to prepare the project completion report.

C. Sustainability

52. **Infrastructure.** The project will adopt a 'building back better' approach to ensure rehabilitation and reconstruction of critical public and community infrastructure in the project affected areas. The sustainability of infrastructure investments will be ensured by using improved engineering standards—in accordance with national building codes, engineering norms and construction regulations, and international best practices—and expert engineering technical assistance, technical audits, and on-site construction monitoring support, to improve the long-term climate resilience of public infrastructure.

53. **Institutional and financial sustainability.** The operationalization of a coordination mechanism and the technical experience with planning and implementing rehabilitation and reconstruction investments, combined with project management, is expected to improve the capacity of the GoDR to plan and scale rehabilitation and reconstruction efforts. Activities supported under Component 2 present a critical input for territorial planning, land use management, and DRM that would ensure institutional sustainability through strengthened capacity at the national and subnational levels to respond to future nature-caused disasters and increased resilience to climate change. The fiscal effects of disasters require significant capital expenditures for repairing and reconstructing damaged infrastructure. By making the project-supported investments more resilient to adverse natural events, and putting in place a more systematic, coordinated approach to rehabilitation and recovery, the project will also help to reduce the GoDR's contingent liabilities and improve its ability to respond to future disaster from natural hazards.

54. **Culturally responsive designs with traditional and, preferably, locally available materials.** The rehabilitation and reconstruction of community-level infrastructure will follow a community-based process, using culturally appropriate designs and local workers and contractors to the extent possible. Efforts will be made to ensure that women and potentially vulnerable groups, including people with disabilities, are included among the workers and that their work is guided by experienced forepersons and other skilled professionals. Training will be provided to skilled laborers and communities to ensure compliance with recommended building practices and technical requirements. It is expected that this process will be replicated across other affected regions. Intense local involvement in the rehabilitation and reconstruction process should help ensure the sustainability of the improved hazard-resistant techniques promoted under the project.

IV. PROJECT APPRAISAL SUMMARY



A. Technical, Economic and Financial Analysis (if applicable)

Technical Analysis

55. **During implementation, a prioritization process will be undertaken, based on criteria to be defined in the POM.** Under Component 1, the project follows a framework approach, based on several years of international recovery and rehabilitation experience. It is key for successful recovery and reconstruction so that the country can start a planning and implementation process as soon as possible. Potential investments will be screened for eligibility based on, among other criteria: (a) the level of damage; sector relevance; and the likely economic, financial, and E&S impacts; and (b) the results of a participatory and inclusive process, which will involve regional and local governments, communities, and vulnerable populations. In addition, technical designs for the prioritized investments will include, to the extent possible, climate-smart investments and will ensure measures such as energy efficiency and adaptation to climate events such as flooding and landslides. The project aims to provide the GoDR with the necessary resources and technical assistance to prepare and implement an efficient recovery/rehabilitation plan. Hence, it was designed in an expedited manner to allow for immediate response, with significant flexibility. The procedures for the selection of investments and necessary World Bank 'no objections' will be further detailed in the POM.

56. **Reconstruction versus replacement.** The technical approach will consider rehabilitation of structures whenever technically and financially feasible. Where the condition of the existing building does not allow for structural strengthening, the project will consider demolition and reconstruction, which will be undertaken when the cost of strengthening the infrastructure approaches its replacement cost. The evaluation of the replacement value will include all costs associated with reconstruction at today's standard and codes, including the costs of demolition of the existing building.

57. **Non-eligible investments.** There will be no land acquisition or involuntary resettlement under the project. All buildings and infrastructure will be reconstructed in situ within the bounds of existing building footprints or on available collectively owned or publicly owned land. All buildings and land require documentation of ownership as a condition of eligibility, to be detailed in the POM. For the retroactive financing and reimbursement of expenditures under Subcomponent 1.1., expenditures with substantial or high E&S risks will be excluded from eligibility.

58. **Disaster and climate change resilience.** The project will promote the 'building back better' approach, which comprises improvements in design standards, construction quality, functionality, and universal access standards and the incorporation of climate change mitigation and adaptation measures, as appropriate. The integration of disaster risk and climate change considerations into the design of infrastructure investments will enhance the resilience of infrastructure to future disaster and climate risks and help protect people's lives, livelihoods, and assets, contributing to the GoDR CCA efforts.

Economic and Financial Analysis

59. **The economic assessment indicates that the proposed interventions are economically viable and beneficial.** The results of the economic analysis⁴⁵ conducted during project preparation are summarized in Table 1, with a focus on Component 1: Recovery, rehabilitation, and resilient reconstruction. Several options have been

⁴⁵ The economic analysis considers an investment equivalent to US\$100 million (Component 1) and is distributed during the first five years of the project with proportions of 40 percent for the first year (subcomponent 1.1), 3 percent for the second and fifth year, and 18 percent for second, third and fourth year. Benefits (inflows) are calculated as the (avoided) losses corresponding to the Possible Maximum Loss curve (20-year return period) from the World Bank's Country Disaster Risk Profile for the Dominican Republic, weighted by the participation of government consumption in the nation's GDP from official National Accounts statistics.



considered, including different discount rates. Using a 4 percent discount rate, analysis shows a baseline internal rate of return (IRR) of 12.7 and a net present value (NPV) of approximately US\$82.5 million indicating that valuation at 6 percent and 8 percent discount rates would still be economically viable.⁴⁶ Due to the urgent nature of the operation, the estimations are based on a simplified and preliminary economic analysis of the project.

Table 1. Summary of Economic Analysis

	IRR (percentage)	NPV (US\$ million)		
		Discount rate		
		4%	6%	8%
Baseline	12.7	82.5	54.3	32.9
Sensitivity Analysis				
(a) 2 years delay in benefits	10.7	75.0	44.8	22.2
(b) 10 percent increase in investment costs	11.2	73.1	45.3	24.2
(c) 10 percent decrease in benefits	11.1	64.9	39.8	20.9
(d) both (a) and (b)	9.5	65.6	35.8	13.4
(e) all: (a)+(b)+(c)	8.3	48.8	22.3	2.4

B. Fiduciary

(i) Financial Management

(a) Financial Management and Disbursement Arrangements

60. **A FM Assessment was conducted by the Bank in November 2022.**⁴⁷ The FM Assessment conclusion is that the FM arrangements proposed by MEPyD and MINPRE, after satisfactory implementation of the time-bound action plan (details in Table 2), are acceptable to the World Bank. The proposed FM arrangements are designed to adequately support project implementation, properly record all transactions and balances, implement adequate internal controls, support the preparation of regular and reliable project financial statements, and safeguard the project’s assets and will be subject to acceptable auditing arrangements.

61. **The FM risk for this project is assessed as Substantial based on the following considerations.** While MEPyD, which will implement Component 2, had limited experience in the implementation of the World Bank financed projects in the past, it does not have a PIU structure in place. Setting up a new PIU for the project will require hands-on support in applying the World Bank’s FM and disbursements policies and procedures at the early stage of the project implementation. FM activities under Component 1 would be managed using the existing capacity at MINPRE established under the World Bank-financed ‘Support to the National Housing Program Project’ (P176581). Nevertheless, there is a substantial element of FM risk arising from the MINPRE PIU’s lack of FM capacity to handle the additional workload, undermining its ability to maintain acceptable FM arrangements. The POM will include further details on the flow of financial information from MINPRE to MEPyD, including preparation of interim financial reports (IFR) for the respective subcomponents to ensure effective coordination to properly

⁴⁶ A sensitivity analysis was also performed with less favorable conditions regarding costs & benefits and the results indicate the interventions are still viable and economically beneficial.

⁴⁷ In accordance with Investment Project Financing and Bank Directive: Investment Project Financing and the Financial Management Manual for World Bank (Bank)-Financed Investment Operations (effective March 1, 2010, and revised September 7, 2021).



record and submit timely project’s financial information.

62. **To manage and mitigate the FM risk, the following key measures were defined in a time-bound action plan:** (a) appoint qualified and experienced FM staff to the PIUs with relevant accounting and financial experience as agreed with the World Bank (assign an FM specialist and an accountant under MEPyD and an FM specialist and an accountant under MINPRE); (b) prepare the POM, including the FM section, which reflects the coordination and financial information submission between the PIUs; (c) carry out the actions necessary for planning and recording the project’s budget in the annual budget law; and (d) design and develop a tailored chart of accounts, format and contents of financial reports including IFRs and annual statements, in accordance with project needs, which are to be generated by the Government Financial Management Information System (*Sistema de Información de la Gestión Financiera, SIGEF/* Project implementation units with external financing (*Unidades ejecutoras de proyectos con financiamiento externo, UEPEX*))⁴⁸, approved by the World Bank and incorporated in the POM.

Table 2: Time-bound Action Plan

Description of Action/Condition	Timeline
1. MEPyD appoints qualified and experienced FM staff to the project and the PIU’s structure is agreed: assigning at least 2 professionals: 1 FM specialist, and 1 accountant.	Within 3 months of effectiveness
2. MINPRE appoints qualified and experienced FM staff to the project and the PIU’s structure is agreed: assigning at least 2 professionals: 1 FM specialist, and 1 accountant.	Within 3 months of effectiveness
3. MEPyD and MINPRE prepare the POM, including FM and flow of funds and management of funds.	By effectiveness
4. MEPyD and MINPRE prepare and record the budget in the annual budget law.	Within 3 months of effectiveness
5. MEPyD and MINPRE prepares Chart of accounts and contents and format of IFRs, generated from SIGEF/UEPEX.	Within 3 months of effectiveness
6. External auditors are contracted by MEPyD	Within 4 months of effectiveness

Financial Management Arrangements

63. **Organization and staffing.** MEPyD’s organizational structure will be adapted to manage the project’s activities including the establishment of a PIU inside MEPyD. The PIU specialized staff will be trained on FM procedures at project inception and the task team will provide hands-on FM support, as needed. Key staff, including an FM specialist and an accountant, will need to be in place within three months from project’s effectiveness. MEPyD’s provisional staff will work on FM-related processes and initial administrative procedures until the FM key staff is engaged.

64. **MINPRE has staff working on another Bank project and will work on the project’s activities until staffing is reinforced** by hiring an FM Specialist and an accountant with relevant accounting and financial experience with externally financed operations. New FM staff will be working full-time on the project’s FM transactions to adequately manage the additional workload.

⁴⁸ The DR’s automated modular tool that serves as the instrument to facilitate compliance with the State Financial Administration System, which has a module to execute projects with external financing called SIGEF/UEPEX, with embedded controls providing for efficiency and transparency in the management of external financing funds.



65. **Budgeting arrangements.** MEPyD and MINPRE will be responsible for the project's annual budget programming, execution, and evaluation for their respective activities. The project's annual budget will meet government budget structure and the World Bank project components/subcomponents/activities classification and will be monitored through SIGEF/UEPEX. MEPyD and MINPRE will also assume disbursements planning, and control of fund transfers and budgetary modifications according to the Annual Operational Plan and Procurement Plan during the year. The country's annual budget law for FY 2023 includes an allocation of emergency funds where this project will be included.

66. **Accounting system.** SIGEF has a module to execute projects with external financing called SIGEF/UEPEX, which has embedded controls providing for efficiency and transparency in the management of external financing funds.

67. **National accounting standards will be used for maintaining the project's accounting records.** Project transactions will be booked through entries made in the government system SIGEF/UEPEX, using a tailored chart of accounts to allow recording and reporting within SIGEF/UEPEX according to project needs and documented in the POM. Government accounting is on an accrual basis, thus and if possible, UEPEX reports will follow this policy, otherwise cash basis reporting is acceptable to the World Bank.

68. **The DR's assets, property, plant, and equipment are registered in the System of Administration of Goods (*Sistema de Administración de Bienes*),** designed to maintain follow-up and control of the assets, property, plant, and equipment of all government agencies. This system allows for every asset to have an individual record, including the necessary data for control and monitoring the item, since the physical entry of the asset, until it is written off the inventory.

69. **Financial reporting.** The project's proposed arrangements will use the cash basis of accounting for the preparation of semiannual IFRs and annual financial statements. IFRs should specify sources and uses of funds, reconciling items (as needed), and initial and year-end cash balances, with expenditures classified by component and by disbursement category, and a statement of investments reporting the current semester and the accumulated operations against ongoing plans and footnotes explaining the important variances.

70. **The project's financial information will comprise the use of funds on all the activities executed by both the PIUs.** Each PIU will prepare IFRs on a fiscal semester basis and these will be submitted to the World Bank no later than 45 days after the end of each calendar semester. The data in the reports would be in US dollars.

71. **Internal control.** As part of the overall implementation arrangements, a POM will be prepared and followed by the PIUs describing among other things, the specific FM arrangements and internal control procedures for the project.

72. **The Comptroller General of the Republic, (*Contraloría General de la República, CGR*) is the governing body of the DR National Internal Control System.** CGR has Internal Audit Units (IAUs), distributed throughout the Central Government, including MEPyD and MINPRE. These units are responsible for verifying the control, and compliance with standards, procedures and applicable laws of the institution's financial processes and fund management. The IAU performs ex ante control of payments; no payment for goods or services is made in the public sector without ex ante approval of these units. Activities implemented under the IAU could be considered as part of the scope of the annual operation plan for FY 2023.

73. **External audit.** Annual audits on the activities carried under the project will be performed in accordance with World Bank policy, under terms of reference and by an independent auditor acceptable to the World Bank.



The auditors will issue a single opinion on the consolidated financial reports prepared by MEPyD and MINPRE. Annual audit reports will be submitted to the World Bank up to six months after the audited period. Audit reports will be tagged as publicly disclosable in World Bank records, and posted in its institutional portals, to comply with World Bank policy. The World Bank also requires that the GoDR discloses the audit report to the public.

74. **Disbursements and Flow of Funds.** The main disbursement method to be used for the project is the advance method. Project funds will be advanced into two segregated Designated Accounts (DAs) opened at the Central Bank of Dominican Republic. Loan funds will flow to the GoDR’s Treasury Single Account (TSA), within specific TSA subaccounts (one in US Dollars and another account in local currency) assigned to MEPyD and MINPRE. Each PIU at MEPyD and MINPRE will manage two dedicated accounts: one account in US dollars where the advanced funds will be received and another account in local currency for managing funds and making payments for eligible expenditures to be financed under the project component activities. The frequency for the presentation of eligible expenditures paid from the DA is at least once every quarter. The fixed ceiling for the DAs will be US\$3.5 million for MINPRE and US\$5 million for MEPyD. The PIU will use Statement of Expenditures (SOE) and Customized Statement expenditures, as applicable, in a format agreed with the World Bank to document eligible expenditures paid from advances to the DA and for processing of withdrawals for reimbursement. Each PIU will be responsible for the appropriate accounting of the funds deposited into the DAs and documentation of expenses to the World Bank on the uses of these funds. The reimbursement and direct payment methods will also be available for the project and included in the Disbursement and Financial Information Letter (DFIL). The minimum application size for direct payment and reimbursement withdrawal applications will be US\$350,000 for MINPRE and US\$500,000 for MEPyD. This size is not applicable for the retroactive financing withdrawal applications. The project will follow the World Bank’s disbursement policies and procedures as described in the DFIL.

75. **FM supervision.** In accordance with the assessed Substantial FM risk the FM implementation support will include on-site and off-site supervision. On-site missions will be carried out at least twice a year during the first year of project implementation and later calibrated following assessed risk and project performance. Off-site implementation support will comprise desk reviews of IFRs and audited financial statements, and ad-hoc support through email, video and phone calls as needed.

Table 3. Disbursement Categories

Category	Amount of the Loan Allocated (expressed in US\$)	Percentage of Expenditures to Be Financed (inclusive of taxes)
(1) Goods, works, non-consulting services, consulting services, and Operating Costs and Training for Component 1 and Subcomponent 3.2 of the project.	96,000,000	100
(2) Emergency Cash Transfers	9,000,000	100
(3) Goods, works, non-consulting services, and consulting services, Operating Costs and Training for Component 2 and Subcomponent 3.1 of the project.	94,500,000	100
(4) Front-end Fee	500,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance



Category	Amount of the Loan Allocated (expressed in US\$)	Percentage of Expenditures to Be Financed (inclusive of taxes)
		with Section 2.07 (b) of the General Conditions
Total amount	200,000,000	

(ii) Procurement

76. **A procurement assessment was conducted by the Bank in November 2022.** Procurement under the Project will be carried out by the PIUs placed within MEPYD and MINPRE in accordance with the World Bank’s Procurement Regulations for IPF Borrowers: Procurement in Investment Project Financing: Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (Fourth Edition, November 2020). The projects will be subject to the World Bank’s Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016, and November 2020. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) tool to plan, record, and track procurement transactions.

77. **Procurement approaches will utilize the flexibility provided by the World Bank’s Procurement Framework to fast-track emergency procurement by the countries.** Key measures to fast-track procurement include: (a) use of simple and fast procurement and selection methods fit for an emergency situation including direct contracting, as appropriate; (b) streamlined competitive procedures with shorter bidding time; (c) use of framework agreements including existing ones; (d) procurement from United Nations agencies enabled and expedited by World Bank procedures and templates; (e) use of procurement agents; (f) force account, as needed; and (f) increased thresholds for Requests For Quotations and national procurement, among others. If requested by the GoDR, the World Bank will provide procurement hands-on expanded implementation support to help expedite all stages of procurement—from help with supplier identification, to support for bidding/selection and/or negotiations to contract signing and monitoring of implementation.

78. **Advance procurement and retroactive financing.** The GoDR may advance with the procurement under the above procurement arrangements and may seek the World Bank’s approval of advance contracting and the recognition of retroactive financing within the parameters set forth in the Loan Agreement. This is applicable to all three components of the project as long as it does not exceed the World Bank’s policy limit of 40 percent of the loan and for payments made on or after September 19, 2022 (but in no case more than one year before the signature date), for eligible expenditures. The respective procurement processes, including the publicity, must be in line with sections I, II, and III of the Procurement Regulations.

79. **A Project Procurement Strategy for Development (PPSD) will be required, in accordance with the World Bank’s Procurement Framework.** However, according to paragraph 12, Section III of the World Bank Policy on IPF for Situations of Urgent Need of Assistance or Capacity Constraints, a simplified PPSD is acceptable, and the procurement plan is deferred to the implementation phase. A PPSD should be prepared by the MINPRE and MEPYD and submitted to the Bank shortly after the project effectiveness (preferably within 4 months after project effectiveness). The PPSD should contain activities that the project will undertake during the first 18 months of the implementation.



80. **The major planned procurements include:** (a) materials and services required for the reconstruction of damaged critical infrastructure, including consulting services, as needed, for design and supervision; (b) detailed engineering assessments of damaged critical infrastructure; (c) immediate recovery activities; (d) supplies and equipment to reestablish the livelihoods of affected populations; and (e) consulting services to provide technical assistance and capacity building. Overall, Components 1 and 2 will finance goods, non-consulting services, works, and consulting services and Component 3 will finance the costs of the PIUs and other operational costs. Retroactive financing is included under the scope of Component 1, provided it is in accordance with the applicable World Bank Procurement Policies and core principles and meets other fiduciary standards and requirements as acceptable to the World Bank before any retroactive financing can be disbursed.

81. **The residual risks related to procurement are substantial.** These risks are due to the following factors: (a) potential delays in the delivery of goods and services due to supply constraints, including blockages on roads due to the hurricanes; (b) MPEyD not having a PIU in place; (c) MINPRE currently having recruited a procurement specialist with knowledge in the local procurement law and requiring hands-on support to undertake procurement activities under the World Bank Procurement Regulations, therefore having limited capacity to handle the additional workload; (d) delays in the procurement process due to legal constraints; and (e) suppliers' noncompliance with contractual agreements in the delivery of goods and services in a timely manner.

82. **Procurement risks will be mitigated through the following measures:** (a) applying World Bank Procurement Regulations after project effectiveness; (b) strengthening both PIUs with the hiring of experienced procurement and technical staff to perform the actions needed; (c) including Anti-Corruption Guidelines in each procurement process under the scope of this program; (d) performing a market research and analysis to identify potential works contracts and classify these according to their capacity, experience, and type of works executed; and (e) ensuring that the POM clearly defines roles and responsibilities that allow the PIUs to operate and articulate in an efficient manner procurement requirements for goods, non-consulting services, consulting services, and works, as well as to develop technical specifications and carry out proposal evaluations.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

83. **Environmental risks.** The environmental risk rating is considered to be Substantial, due to the inclusion of major civil works, the uncertainty at this stage of the project's specifics (location, type, and scale of each infrastructure work); the sensitive health and safety contextual aspects derived from the post-disaster context; the context of strained implementation capacity in a post-disaster setting to effectively manage environmental, health, and safety risks and impacts; the client's institutional capacity; and the potential downstream effects of territorial planning. The risk rating will be reviewed and adjusted, if necessary, as more detailed information becomes available and as detailed E&S risk assessments are completed. The principal environmental risks and impacts under the project are expected to result from activities related to infrastructure reconstruction/rehabilitation, such as the following:



- (a) Diverse impacts on lands and land use, including potentially on natural habitats or other sensitive landscapes.
- (b) Nuisance related to dust generation, vibration, noise, and odors derived from civil works.
- (c) Generation, management, and disposal of non-hazardous and hazardous solid waste, including debris caused by the storm, residual construction materials waste, hazardous materials from demolitions, and e-wastes.
- (d) Generation and discharge of wastewater from civil works.
- (e) Sludge generation and disposal from potential water and sanitation works.
- (f) Temporary disruptions to local traffic during the construction phase.
- (g) Health and safety risks to the project workforce and local communities, including from exposure to hazardous materials and wastes; potential worksites involving physically unstable settings such as landslide-prone areas or collapsing buildings; the possibility of additional disease outbreaks; and risks of spread of the COVID-19 virus and outbreaks of malaria, dengue, or cholera.

84. **Direct and indirect impacts from other natural hazards that may occur in the affected areas.** Retroactive financing activities under Subcomponent 1.1 may also generate risks and impacts. A list of eligible retroactive expenditures will be specified in the POM and will rule out any activities with substantial or high risks from eligibility. Eligible activities will likely be considered low to moderate risk and can be managed through appropriate E&S mitigation measures.

85. **Social risks.** The social risk rating is Moderate. While the overall social benefits are expected to be positive, identified social risks and potential impacts include: (a) social exclusion risks especially for vulnerable stakeholders, including the risk that women, youth, migrants, and persons with disabilities may not fully access the project benefits; (b) perceived inequities in the selection of beneficiaries; (c) potential inadequate implementation of a robust stakeholder engagement strategy, including differentiated approaches to reach the most vulnerable stakeholders; and (d) territorial planning may contribute to existing tensions or cause social conflict on land use. Resettlement-inducing activities are excluded from project-financed activities. Sexual exploitation and abuse and sexual harassment risks are assessed to be Moderate based on the contextual and project-specific risks.

86. **E&S Risk Management.** All Environmental and Social Standards (ESS) are applicable to the project, except the following: ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and ESS9 Financial Intermediaries. The project's E&S risks and corresponding mitigation measures will be set out in the Environmental and Social Management Framework (ESMF), which will include Labor Management Procedures (including a project workers-specific grievance redress mechanism [GRM]) and a Stakeholder Engagement Plan (SEP), which will be developed incorporating a stakeholder mapping and a two-way engagement strategy to guide interactions with project beneficiaries (including the most vulnerable among them) and ensure that a project GRM is in place to address concerns and grievances during project implementation. The GoDR will be responsible for overall project implementation through two PIUs under MINPRE and the MEPyD. Under MINPRE, the existing PIU of the World Bank-supported Support to the National Housing Program Project will be strengthened to oversee the project. Under MEPyD, a new PIU will be established. Both ministries will need to receive capacity building and technical assistance to support the management of E&S risks during implementation of the project. Each PIU will be under the leadership of a general coordinator, and each will have one full-time environmental specialist and one full-time social specialist dedicated to the project. In addition, the PIU for MINPRE will have an occupational health and safety specialist based in the project area for the duration of civil works, given that this PIU will be responsible



for overseeing the civil works under the project. To strengthen monitoring of E&S risk management aspects during implementation, the MINPRE PIU, responsible for the component involving civil works, will mobilize E&S supervisors comprising one environmental and one social specialist. The E&S supervisors will carry out periodic site visits and prepare quarterly reports on project implementation and compliance with the project's E&S instruments and present corrective action plans in instances of noncompliance. These reports will be submitted to the PIU and World Bank.

87. **As set out in the Environmental and Social Commitment Plan (ESCP), the core project instruments to assess and manage E&S risks and impacts will be prepared by the MINPRE and MEPYD, through the PIUs.** These instruments, which will be developed, consulted, and disclosed within the timeframes indicated below, will consist of: (a) an ESMF, including Labor Management Procedures, within 120 days of project effectiveness; and (b) a SEP within 120 days of project effectiveness. The draft ESCP and SEP were prepared for the project, and disclosed by the Bank⁴⁹ on November 23, 2022, and by the Borrower⁵⁰ on November 29, 2022.

88. **Effective and demonstrable Citizen Engagement (CE) will be central to project implementation.** Given the communication and engagement limitations posed by the post-disaster scenario and post-COVID-19 pandemic, careful planning is needed to reduce any risk of exclusion of vulnerable groups. An indicator has been included in the Results Framework to measure effectiveness of citizen feedback mechanisms established under the project by measuring the percentage of grievances registered related to the delivery of project benefits that are addressed. As such, the project considers citizen engagement as a cross-cutting issue for all subcomponents and activities, particularly activities related to infrastructure rehabilitation and reconstruction. These will follow, when possible, a community-based and owner-driven resilient approach and will engage communities early in project implementation. The SEP will ensure the participation of all stakeholders, to understand the needs of the affected populations; ensure transparency and coordination between government entities, the PIU, and communities; and receive feedback and grievances. The SEP will set out the nature and periodicity of stakeholder consultations and require regular beneficiary feedback surveys, which will be used to measure and improve citizen engagement. A communications strategy will be embedded as part of the consultative and accountability processes, including the GRM.

89. **Climate change.** The DR is highly vulnerable to the impacts of climate change due to its geographic location. The country is highly vulnerable to meteorological phenomena such as hurricanes and tropical storms, with floods being the most common climate-related hazard, exposing the territory to dangerous hazards and considerable economic and social hardships. The project will contribute to the GoDR's climate change objectives and World Bank climate targets by generating climate co-benefits related to mitigation and adaptation. The project supports investments that maximize climate co-benefits with all investments designed to be resilient to climate-induced events by using best practice climate-resilient building standards. Where relevant, these co-benefits will be achieved by: (a) providing energy-efficient equipment; (b) incorporating climate adaptation and resilience measures in the design of the works financed under the project, taking into account hydrometeorological and climate risks, such as flooding and other extreme weather events; and (c) applying and implementing building codes for climate-resilient infrastructure. Given the emergency nature of the project, short- and long-term climate change and disaster risk assessments will be carried out in the early phases of

⁴⁹ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099805011232237688/p180163002d98a0f0b05e032580c09af43>;
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099805011232237688/p180163002d98a0f0b05e032580c09af43>

⁵⁰ <https://mepyd.gob.do/viotdr/planes>; <https://minpre.gob.do/transparencia/proyectos-y-programas/>



implementation to establish more robust co-benefits projection.

90. **Gender.** The World Bank Group Gender Strategy for 2016–2023⁵¹ and the GFDRR Gender Action Plan for 2016–2021⁵² identify climate change and DRM as emerging areas that require a gender lens. They also highlight the importance of analyzing gender equality and women and girls’ empowerment as the key to strengthening resilience. Both the strategy and the plan are aligned with the United Nations Sendai Framework for Disaster Risk Reduction 2015–2030, which states, among its principles, that disaster reduction and recovery require gender, age, disability, and cultural perspectives in all policies. In the case of the DR, gender equality remains an issue: international rankings indicate that the DR has to take significant measures toward closing existing gaps between women and men. The country ranks 112 out of 189 countries worldwide in the 2020 UNDP Gender Inequality Index, and the COVID-19 crisis has widened existing gaps, especially among people in situations of vulnerability.⁵³ Female-headed households have higher levels of poverty and vulnerability to economic shocks and climate-linked impacts. In the DR, 50.3 percent of female-headed households are poor and 28 percent of them are extremely poor, compared to households headed by men, of which 35.9 percent are poor and 16.2 percent are extremely poor. Women’s disproportionate workload in the care economy is frequently exacerbated in case of temporary closure of schools or care centers as happens during emergencies. Also, women have less access to social protection services. Additionally, women have a higher unemployment rate than men. From 2015 to 2020, the unemployment rate for women (9.3 percent) exceeded the unemployment rate for men (3.9 percent).⁵⁴ During the first year of the pandemic in 2020, 12.2 percent of female-householders lost their jobs permanently in comparison to a 7.8 percent of male-headed households.⁵⁵ In addition, women have a lower representation in decision-making processes. In the DR, although women have more access to the educational system than men, women are less present in the managerial-level positions in the private sector and in leadership positions in government sectors, among other sectors. Although the most recent elections showed a marked advance in terms of female participation in the Congress, with an increase from 20.8 percent to 26.8 percent, the rate is still below the Latin America and the Caribbean average of 28.7 percent.⁵⁶

91. **The project will collect and use gender-disaggregated data to design and enhance social benefits and, where required, mitigate negative gender impacts.** In line with the focus on emergency disaster recovery (Subcomponent 1.1), the project will support female-headed households by providing them with emergency cash transfers to enable their ability to resume economic activities in the post-hurricane context while decreasing their exposure and vulnerability. A survey will be carried out to evaluate the effect that the emergency cash transfers had for female-headed households on their economic resilience and consumption levels. In this case, resilience means households’ ability to recover from nonmonetary losses related to floods. Also, as part of restoring critical public and communal infrastructure (Subcomponent 1.2), the project plans to close the specific gap in female-to-male participation rates in disaster recovery reconstruction decision-making and integrate mechanisms for safeguarding women’s opinions and guarantee implementation of their inputs in the recovery process. Moreover,

⁵¹ WBG Gender Strategy. GFDRR. 2016. <http://documents1.worldbank.org/curated/en/820851467992505410/pdf/102114-REVISED-PUBLIC-WBG-Gender-Strategy.pdf>.

⁵² Gender Action Plan. GFDRR. 2016. <https://www.gfdr.org/en/gfdr-gender-action-plan-2016-2020>.

⁵³ Dominican Republic Country Gender Scorecard, December 2021, WBG.

⁵⁴ https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-san_jose/documents/publication/wcms_755526.pdf.

⁵⁵ United Nations Dominican Republic

2021. <https://www.unicef.org/dominicanrepublic/media/3636/file/Publicaci%C3%B3n%20%7C%20RED%20ACT%C3%9AA:%20Segunda%20encuesta%20sobre%20el%20impacto%20socioecon%C3%B3mico%20de%20la%20COVID-19.pdf>

⁵⁶ https://publications.iadb.org/publications/spanish/document/Desigualdades_de_g%C3%A9nero_en_Rep%C3%BAblica_Dominicana_2018_-_2020_es_es.pdf.



development of the territorial planning instruments at the subnational level (under Component 2) will ensure adequate consultative and participation processes for women's participation, include mechanisms to promote equal access and feedback from diverse population groups, and improve data collection and awareness of gender-specific needs. The selected consultative and feedback mechanisms will be detailed in the POM and E&S documentation. Throughout the consultation phase and implementation, the project will ensure that the needs of women, particularly heads of households, in terms of safety, hygiene, and employment opportunities are specifically addressed.

V. GRIEVANCE REDRESS SERVICES

92. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.

VI. KEY RISKS

93. **The project's overall risk is assessed as Substantial driven by the key factors described in the following paragraphs.**

94. **The project's technical design risk is Substantial.** The project will focus on emergency recovery and critical infrastructure rehabilitation and reconstruction, where the World Bank has a comparative advantage. However, given the project's short preparation time, most of the details of the project's technical design for infrastructure works will not be identified upfront but will be referred to in the POM. This poses certain risks: (a) technical design risks due to the emergency nature of the operation will require careful calibration between implementation speed and adequate prioritization; (b) the technical complexity of the project will not be determined until investments are identified; and (c) cost and time assumptions can only be partially calibrated during preparation. These risks will be mitigated by: (i) GoDR adoption of transparent and streamlined mechanisms for the prioritization of beneficiaries and investments, based on participatory approaches, the participation of sectorial entities, and careful assessments of social and economic benefits which will be included in the POM; (ii) ensuring that the technical designs incorporate cost benefit, low maintenance, and resilience considerations; (iii) to the extent possible using existing analytical work and technical specifications developed by the GoDR; and (iv) involving relevant sectorial entities in the preparation of cost and time estimates to be included in the POM, with reasonable assumptions made to account for project area conditions and post COVID-19 pandemic considerations (that is, additional health protocols).



95. **Institutional capacity for implementation and sustainability risk is Substantial.** While the GoDR has implemented World Bank-funded projects in the past, one new PIU will need to be created in MEPyD to implement activities under Component 2 of the project, and an existing PIU in the MINPRE will have to be strengthened. Both the PIUs will have to be staffed with qualified experts who have experience working with internationally financed projects. To mitigate this risk, both PIUs will ensure that the staff have received required trainings, capacity building and technical assistance to support the core functions (including FM, procurement, Environmental and Social Framework [ESF]) of the PIUs and manage the risks during the implementation of the project. The key government institutions will receive technical assistance in territorial planning and disaster risk management throughout the project. The successful implementation of project activities will also depend on the productive coordination with and relevant technical inputs from line ministries. As it involves multiple participants, the clear coordination mechanisms and collaboration principles will be an integral part of the POM.

96. **Fiduciary risks.** The fiduciary risk is assessed as Substantial. The risk considers the complexity of project implementation due to the emergency nature of the operation, as the proposed PIU at MEPyD is not yet established and the increased volume of work related to this project assigned to the PIU at MINPRE, without adjusting their capacities, could pose challenges affecting its ability to maintain acceptable FM arrangements. Hands-on support and a refresher training in the World Bank's FM and disbursements policies and procedures will be needed early in the project implementation stage, particularly for MEPyD which has limited experience implementing World Bank financed operations. An additional element of risk is related to the potential inclusion of retroactive emergency expenditures that will need to comply with eligibility requirements and be properly documented. Furthermore, a time-bound action plan (Table 2) was developed for this project, which once fully implemented by the GoDR, will be used to reassess fiduciary risk. All details related to FM and Procurement will be included in the POM.

97. **The E&S risk rating is considered Substantial,** due to the potential environmental, social, health, and safety implications inherent to the scale, variety, number, and remote/disperse geographies of the reconstruction works planned under the project. Potential risks and impacts may include the following: (a) diverse impacts on lands and land use, including on natural habitats or other sensitive landscapes, from debris clearing and disposal, earthworks, and works; (b) generation and discharge of wastewater; (c) sludge generation and disposal from potential water and sanitation works; (d) traffic risks; and (e) various health and safety risks to project workers and local communities, including from exposure to hazardous materials and wastes, worksites involving physically unstable settings such as landslide-prone areas, the risks of spread of COVID-19 and outbreaks of other infectious diseases, and potential new natural hazards such as hurricanes, landslides, and floods. The project's E&S risks will be mitigated through the development, consultation, and application of a range of project's E&S instruments, as detailed in section IV. D of this document. Additionally, throughout its implementation period, the project will be required to maintain an active GRM, whereby affected parties can submit complaints and concerns on how the project has/will affect them. The GoDR is expected to address complaints submitted through the GRM. The World Bank will regularly monitor the functionality of the project's GRM.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Dominican Republic

Dominican Republic Hurricane Fiona Emergency Response Project

Project Development Objectives(s)

The objectives of the Project are to support the Dominican Republic's emergency response and recovery needs and to strengthen its institutional capacity to manage risks posed by natural hazards and the effects of climate change

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
Support DR's response and recovery needs			
Affected population who have benefitted from emergency support provided by the GoDR (Number)		0.00	70,000.00
disaggregated by sex (Number)		0.00	35,000.00
Affected population who have benefitted from resilient reconstruction and rehabilitation of critical infrastructure (Number)		0.00	300,000.00
disaggregated by sex (Number)		0.00	150,000.00
Support DR's institutional and technical capacity for DRM			
Subnational entities supported by the Project with risk-informed and inclusive territorial planning instruments (Number)		0.00	54.00



Indicator Name	PBC	Baseline	End Target
National Territorial Information System (SNIT) established with a risk assessment dataset, providing information to national and subnational institutions (Text)		No	Yes

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Recovery, rehabilitation, and resilient reconstruction			
People benefiting from emergency cash transfers (Number)		0.00	35,000.00
Female-headed households in affected areas who were able to restore pre-hurricane consumption levels (Percentage)		0.00	80.00
Beneficiary satisfaction with emergency disaster response activities (Percentage)		0.00	80.00
Resilient reconstruction and rehabilitation of critical infrastructure (Number) (Number)		0.00	20.00
Women leading the recovery and reconstruction decision-making processes in affected areas (Percentage)		0.00	50.00
Support to the Government’s capacity for disaster risk preparedness, response and recovery			
Capacity building program for inclusive and resilient territorial planning designed (Text)		No	Yes
National and subnational entities benefitting from targeted capacity building activities for territorial planning (Number)		0.00	60.00
Land area in selected municipalities with up-to-date base cartography (Square kilometer(km2))		14,000.00	45,000.00
Institutions with strengthened capacity in DRM and climate change (Number)		0.00	10.00



Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Affected population who have benefitted from emergency support provided by the GoDR	Number of individuals affected by Hurricane Fiona who directly benefitted from the immediate relief and response measures undertaken by the GoDR, such as emergency cash transfers and the provision of in-kind assistance (e.g., food, medicine, shelter, social services).	Annual	Progress reports	The PIU will obtain the data from the corresponding government entities	MINPRE
disaggregated by sex	Data collected for men and women				
Affected population who have benefitted from resilient reconstruction and rehabilitation of critical infrastructure	Number of people who directly benefit from improved infrastructure incorporating climate - resilient standards, following repair/strengthening, reconstruction/upgrade, and new construction under the Project.	Annual	Progress reports	The PIU will estimate the beneficiaries based on the type of infrastructure and/or services improved.	MINPRE



disaggregated by sex	Data collected for men and women				
Subnational entities supported by the Project with risk-informed and inclusive territorial planning instruments	Number of government entities at sub-national level (referring to a second and/or third tier of government, i.e., region, province, municipalities, municipal districts) that have a territorial planning instrument developed and approved under the Project with specific consideration of disaster and climate change risks and vulnerabilities of the population.	Annual	Progress reports	The PIU monitors the development processes of territorial planning instruments supported by the Project that include plans, designs, regulations, by-laws, and rules. The qualitative aspects include (i) incorporation of climate and non-climate hazards in decision making; and (ii) planning that properly incorporates the views of vulnerable population through consultative processes.	MEPyD
National Territorial Information System (SNIT) established with a risk assessment dataset, providing information to national and subnational institutions	The operationalization and functioning of SNIT with data accessible to government institutions.	Annual	Progress reports	The PIU monitors the implementation progress.	MEPyD



Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
People benefiting from emergency cash transfers	Number of individuals affected by Hurricane Fiona who received emergency cash transfers.	Year 1	SIUBEN database	The PIU obtains data from SIUBEN.	MINPRE
Female-headed households in affected areas who were able to restore pre-hurricane consumption levels	A share of female-headed households who reported to have been able to partially or fully restore pre-hurricane consumption levels due to the support through cash transfers.	Annual	Progress reports	PIU obtains data from SUPERATE/SIUBEN on female-headed households who report to have benefitted from cash transfers that allowed to partially or fully restore pre-hurricane consumption levels, as part of a beneficiary survey.	MINPRE
Beneficiary satisfaction with emergency disaster response activities	A beneficiary survey that measures the satisfaction level of individuals from improved infrastructure and services.	Once at completion	A beneficiary survey	The PIU will contract a third party to design and conduct a survey.	MINPRE
Resilient reconstruction and rehabilitation of critical infrastructure (Number)	Number of improved structures and infrastructure systems (e.g., bridges, buildings, drainage systems, road sections) and following repair/strengthening,	Annual	Technical, supervision, and progress reports	The PIU will monitor the implementation and completion of civil works. It will also keep records of resilience standards incorporated in technic	MINPRE



	reconstruction/upgrade, and new construction under the Project.			al specification/designs and location of critical infrastructure that address recurrent hazards (e.g., flooding, storms, seismic) and provide reasonable protection to less-recurrent and higher-intensity natural events.	
Women leading the recovery and reconstruction decision-making processes in affected areas	A share of women who are effectively engaged throughout decision-making processes of post-disaster recovery and reconstruction initiatives and their decisions are reflected and incorporated in the selection, technical design, and implementation of civil works.	Annual	MINPRE will collect data as part of consultative processes during feasibility studies, technical design and implementation stage for civil works.	Progress reports	MINPRE
Capacity building program for inclusive and resilient territorial planning designed	The capacity building program of national and subnational entities has been developed with a clear roadmap, and responsibilities for its roll-	Annual	Progress reports	The PIU monitors the implementation progress.	MEPyD



	out.				
National and subnational entities benefitting from targeted capacity building activities for territorial planning	Number of government entities at national and subnational level (referring to a second and/or third tier of government, i.e., region, province, municipalities, municipal districts) that received capacity building, such as training, seminars, participatory workshops, technical assistance	Bi-annual	Progress reports	The PIU will monitor the implementation.	MEPyD
Land area in selected municipalities with up-to-date base cartography	Square km of total area of land that is covered by up-to-date base cartography	Bi-annual	Progress reports	The PIU will monitor and obtain data from IGN.	MEPyD
Institutions with strengthened capacity in DRM and climate change	Number of key institutions at the national level that received training and other capacity building activities in DRM and climate change	Biannual	Progress reports	PIU will monitor the progress.	MEPYD



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Dominican Republic

Dominican Republic - Hurricane Fiona Emergency Response Project

A. Implementation Arrangements

1. **The GoDR has designated MINPRE and MEPyD as the agencies responsible for implementation and overall project coordination and monitoring.** A dedicated PIU within each ministry will be responsible for executing the project. Component 1 will be implemented by the existing PIU established within MINPRE under the World Bank's Support to the National Housing Program Project. Component 2 will be implemented by a newly created PIU within MEPyD. All project implementation arrangements for each PIU will be detailed in the POM.

- **PIU 1: MINPRE will be responsible for the implementation of Component 1: Recovery, rehabilitation, and resilient reconstruction.** MINPRE has already established the PIU to execute the World Bank-financed Support to the National Housing Program Project. Its experience in preparing the Support to the National Housing Program Project and familiarity with the World Bank requirements would allow to provide swift support to this project. In addition, MINPRE has a strong political backing, and convening and coordinating power. This was necessary to allow expedited emergency project preparation and would ensure an early start in implementation.
- **PIU 2: MEPyD will be responsible for the implementation of Component 2: Support to the Government's capacity for disaster risk preparedness, response, and recovery.** MEPyD is the lead government institution with regard to national planning and development policies. Within MEPyD, the Viceministry of Territorial Planning and Regional Development (*Viceministerio de Ordenamiento Territorial y Desarrollo Regional, VIOTDR*) is responsible for territorial development policy, DRM, and for the coordination of different sectors and institutions at the municipal, provincial, and regional levels on territorial development programs and local planning.

2. **A dedicated PIU will be established in MEPyD/VIOTDR to implement Component 2 that will finance technical assistance and capacity-building activities to strengthen the institutional capacity of key government actors in the DR.** It will need to ensure compliance with all relevant World Bank policies and procedures, including fiduciary and E&S requirements, and carry out administrative, reporting, and monitoring functions and technical oversight of the activities under Component 2. MEPyD will be responsible for overall project implementation and reporting, including consolidation of fiduciary and progress reports, submitted to MEPyD by MINPRE.

3. **This is not the first World Bank-financed project that MEPyD will implement, as it was responsible for the implementation of the Dominican Republic Municipal Development Project (P095863) between 2010 and 2017.** The institution, however, will need support in implementing this new project as the former project closed about five years ago and has not retained personnel trained in the World Bank requirements, particularly in legal, social and environmental, and fiduciary areas. At the same time, as Component 2 largely comprises technical assistance and capacity-building activities, certain functions, such as fiduciary, will not be complex. Procurement arrangements would not include complex arrangements requiring specialized skills. This is a determining factor to ensure swift preparation and an early start in implementation of the project.



B. Implementation Support Plan and Resource Requirements

4. **Implementation support will be provided by the World Bank team, consisting of staff with relevant competencies in operations, procurement, finance, E&S, and technical content where required.** A POM will be developed for each PIU to provide an ordered set of instructions on the organization, procedures, and resources dedicated to the efficient and effective achievement of the project objectives. The implementation support will be adjusted as needed, in response to the evolving situation. The World Bank will provide the PIU with clear guidance, useful inputs, effective support, and issue recommendations on time to expeditiously address FM, procurement, and E&S in a proactive manner and whenever required.

5. The following actions have been agreed:

- **Implementation support strategy.** The strategy for implementation support is based on the project's design and its risk profile, as well as mitigation measures required during implementation. The strategy remains a flexible tool that may be amended during project implementation in response to the GoDR's changing needs. The implementation support strategy envisages taking advantage of existing knowledge and policy dialogue over the past three years.
- **Procurement.** Implementation support will include: (a) providing training to members of the MINPRE and MEPyD PIU staff involved in procurement on the World Bank's procurement requirements and guidelines; (b) conducting procurement prior review according to the project risk rating evaluated in each Implementation Status and Results Report (ISR); (c) conducting annual supervision missions in the field to carry out the post-review of procurement activities; (d) irrespective of the review modality, providing guidance and close support to the PIU on procurement procedures; and (e) monitoring progress against the Procurement Plan.
- **FM.** The World Bank will provide the PIUs with clear guidance, useful inputs, effective support, and issue recommendations on time to expeditiously address FM matters in a proactive manner and whenever required.
- **E&S risk management.** During implementation, the World Bank will: (a) monitor compliance with the ESMF, SEP, ESCP, and agreed E&S plans and frameworks as triggered by the project; and (b) address concerns from the client or other stakeholders on ESF policies. Regular training to counterparts on ESF policies and continuous support will be provided by the World Bank, when identified or required by the client.
- **Technical.** A team of World Bank specialists in territorial development and DRM will: (a) engage and guide the technical and institutional dialogue, based on known national and international best practices; (b) advise on the design of activities envisaged within components, including processes for the preparation of terms of reference, budget, and bidding documents; and (c) participate in field visits to advance the dialogue with the GoDR and review progress.
- **M&E.** The World Bank project team will support the PIUs, as needed, in oversight of project implementation.
- **Implementation support plan.** Tables 1.1 and 1.2 reflect the preliminary estimates of the level of inputs, timing, skill mix, and team composition over the life of the project. This will be reviewed and adjusted on a regular basis based on project needs.



Table 1.1. Implementation Support Plan

Time	Focus
First 12 months	Provide support for <ul style="list-style-type: none"> • Successful start of project across all components • Early hiring of PIU staff • Identification and prioritization of activities under Components 1 and 2 • Technical designs and specifications • FM systems functioning • Procurement (PPSD and Procurement Plan in place early) • Early establishment of ESF instruments • Establishment of an M&E system
12–60 months	<ul style="list-style-type: none"> • Ensure adequate implementation support of all aspects of project • Monitor implementation of project activities, including site visits • Support final evaluation and Implementation Completion and Results Report

Table 1.2. Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task team leader	40	10	International or field-based staff
Technical specialist (DRM/urban)	40	10	International or field-based staff
Technical specialist (urban development)	40	5	International or field-based staff
Technical specialist (spatial data)	25	4	International or field-based staff
Technical Specialist (infrastructure)	20	4	International or field-based staff
Environmental specialist	20	10	International or field-based staff
Communications specialist	20	5	International or field-based staff
Social specialist	30	10	International or field-based staff
Economist (M&E)	10	5	International or field-based staff
FM specialist	20	10	International or field-based staff
Procurement specialist	40	Local travel as needed	Field-based staff
Country office operational support	75	Local travel as needed	Field-based staff
Consultants for territorial planning	20	Local travel as needed	STC
Consultants for infrastructure	75	Local travel as needed	STC
Consultant for social risk management and inclusion	75	Local travel as needed	STC
Consultant for communications	75	Local travel as needed	STC

Note: STC = Short-term consultant.



ANNEX 2: Additional Information on the Emergency Cash Transfer as part of the Social Protection System

COUNTRY: Dominican Republic

Dominican Republic - Hurricane Fiona Emergency Response Project

1. **The project will reimburse the amount of the emergency cash transfers made by the GoDR in 2022 in response to Hurricane Fiona under Subcomponent 1.1.** Emergency cash transfers will support households in communities affected by Hurricane Fiona and will be implemented through an existing umbrella social protection framework program, SUPERATE, which provides poor and vulnerable households with economic support and serves as a fast-acting shock-responsive mechanism, embedded in its regular package of social assistance and cash transfer programs.
2. **The DR has made significant progress in building a social protection system over the past 15 years, but it still needs to be consolidated.** The country has developed solid institutions, a good mix of social programs, and a functional delivery system with adequate coverage of its main social programs and systems. In 2021, the newly elected administration carried out an institutional reform of the social protection system to reduce fragmentation and improve coordination between social programs. The reform involves the creation of SUPERATE, as the umbrella social protection program and the main cash transfer scheme, and the strengthening of its delivery systems to improve the effectiveness and efficiency of social spending. In addition to SUPERATE, the new institutional architecture of the noncontributory social protection system includes the targeting system, SIUBEN; the payment system, ADESS; and the coordination agency of social policies, the Social Cabinet.
3. **SUPERATE is an umbrella social protection framework program, with the mandate to coordinate all noncontributory social protection programs in the country.** It harmonizes social protection policies and programs, reduces fragmentation, promotes stronger coordination, and provides an effective and efficient response to disasters. Functioning similar to a line ministry, SUPERATE provides poor and vulnerable households with economic support through cash transfers; links social assistance to economic inclusion programs; and, in general, provides households with an integrated package of social programs and services. As part of its cash transfer package, SUPERATE includes an emergency cash transfer, *Bono de Emergencia*, aimed at providing economic support to the poor and vulnerable in the wake of disasters and climate change shocks, reducing their vulnerabilities and avoiding negative coping strategies, particularly for female-headed households, and is designed as an unconditional cash transfer. The emergency cash transfer is activated when a natural adverse event occurs, allowing the program to expand vertically (to include new households) and/or horizontally (to adjust the size of the benefits provided to current beneficiaries) to attend to the affected population.
4. **The institutional architecture to deliver cash transfers is led by SUPERATE** but includes SIUBEN, ADESS, and the Social Cabinet. Over the past two decades, cash transfers have been implemented through this architecture with specific responsibilities given to each entity:
 - (a) The Social Cabinet will be the coordinating entity of noncontributory social protection policies and programs.
 - (b) SUPERATE will be the overarching program in charge of the traditional conditional cash transfers and the unconditional cash transfers.
 - (c) SIUBEN will be the institution responsible for supporting transparent and objective targeting in social assistance programs by identifying and classifying potential beneficiary households based on their



socioeconomic status. It also compiles a unique registry of households that are eligible to participate in social programs based on its operational rules and budgets.

- (d) ADESS will be the entity responsible for issuing transfer payments to beneficiaries of SUPERATE and other social programs or subsidies using a banking network (including *Banco de Reservas* and two additional private financial institutions) with cash cards.

5. Cash transfers in the DR are traditionally quasi-monetary transfers, paid by a cash card that can be used in the social supply network, which consists primarily of retail grocery stores (*colmados*). Beneficiaries can exchange their conditional cash transfers for food and basic household goods in *colmados*, with the exception of unconditional cash transfer for emergencies, that can be delivered through electronic payments or the traditional cash cards and are free (to purchase, in addition to food and medicines, housing goods and services, construction materials, cloth, and so on) to help them overcome the aftermath of a shock. For unconditional cash transfer for emergencies, ADESS has the ability to expand the list of *colmados* to include other establishments such as supermarkets, hardware stores, or construction retail stores.