

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**DOMINICAN REPUBLIC**

**GREATER SANTO DOMINGO SUSTAINABLE COMPREHENSIVE SOLID WASTE  
MANAGEMENT PROGRAM**

**(DR-L1156 - DR-J0001)**

**LOAN AND NONREIMBURSABLE FINANCING PROPOSAL**

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<b>OPTIONAL</b>
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12. <a href="#">Report on culturally significant public consultations</a>
13. <a href="#">Migration annex</a>
14. <a href="#">Environmental and social management system</a>

## ABBREVIATIONS

AECID	Agencia Española de Cooperación Internacional para el Desarrollo [Spanish Agency for International Development Cooperation]
ESIA	Environmental and Social Impact Analysis
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESPF	Environmental and Social Policy Framework
ESPS	Environmental and Social Performance Standards
FONPRODE	Fondo para la Promoción del Desarrollo [Spanish Development Promotion Fund]
GHGs	Greenhouse gases
GRF	IDB Grant Facility to Support Countries With Large and Sudden Intraregional Migration Inflows
ICB	International competitive bidding
JICA	Japan International Cooperation Agency
MMARN	Ministry of the Environment and Natural Resources
NDCs	Nationally Determined Contributions (NDCs)
PCRMV	Plan de Compensaciones y Restauración de Medios de Vida [Livelihood Compensation and Restoration Plan]
PEU	Project execution unit
PISO	Plan de inclusión social [Social Inclusion Plan]
QCBS	Quality and Cost Based Selection
SEPA	Procurement Plan Execution System
USW	Urban solid waste

**PROJECT SUMMARY**  
**DOMINICAN REPUBLIC**  
**GREATER SANTO DOMINGO SUSTAINABLE COMPREHENSIVE SOLID WASTE MANAGEMENT PROGRAM**  
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Financial Terms and Conditions						
<b>Borrower:</b>			<b>Flexible Financing Facility<sup>(a)</sup></b>		<b>Nonreimbursable financing (GRF)</b>	
Dominican Republic			<b>Amortization period:</b>	25 years	N/A	
<b>Executing agency:</b>			<b>Disbursement period:</b>		5 years	
Ministry of the Environment and Natural Resources (MMARN)			<b>Grace period:</b>	5.5 years <sup>(b)</sup>	N/A	
<b>Source</b>		<b>Amount (US\$)</b>	<b>%</b>	<b>Interest rate:</b>	SOFR-based	N/A
<b>IDB (Ordinary Capital)</b>		44,200,000	40	<b>Credit fee:</b>	(c)	N/A
<b>IDB (Grant Facility) – DR-J0001<sup>(d)</sup></b>		800,000	1	<b>Inspection and supervision fee:</b>	(c)	N/A
<b>Local counterpart:</b> Cofinancing:				<b>Weighted average life:</b>	15.25 years	N/A
Japan International Cooperation Agency (CORE): <sup>(e)</sup>		45,000,000	41	<b>Approval currency:</b> U.S. dollar		
Spanish Development Promotion Fund (FONPRODE) of the Spanish Agency for International Development Cooperation (AECID) <sup>(f)</sup>		20,000,000	18			
<b>Total:</b>		110,000,000	100%			
Project at a Glance						
<b>Program objective:</b> To support improvements in comprehensive municipal solid waste (MSW) management in the Dominican Republic so as to mitigate the negative environmental and social impacts of open-air dumpsites located in the target areas under the intervention, with a particular focus on Greater Santo Domingo. The specific objectives are to: (i) ensure the appropriate final disposal of MSW in the target areas under the intervention; (ii) increase MSW recycling and recovery, promoting the social inclusion of informal waste pickers, gender equity, and the inclusion of diverse groups; and (iii) reduce emissions of greenhouse gases generated through MSW management.						
<b>Special contractual conditions precedent to the first disbursement of the loan proceeds:</b> <sup>(g)</sup> (i) the signing and entry into force of a subsidiary agreement between the borrower (represented by the Ministry of Finance) and the Ministry of the Environment and Natural Resources (MMARN), setting out the terms for the transfer of funds to MMARN and the parties' other execution obligations; (ii) creation of the execution unit in MMARN, with the appointment or hiring of the following minimum staff complement: (a) a general coordinator, (b) a procurement specialist, (c) a financial specialist, (d) an environmental specialist, and (e) a social specialist; (iii) approval of the <a href="#">program Operating Regulations</a> (paragraph 3.2); (iv) the borrower, through the executing agency, will have submitted evidence of the entry into effect of the program Operating Regulations, in accordance with the terms agreed upon with the Bank; and (v) as part of the execution structure, the formation of which is a condition precedent to the first disbursement of the loan proceeds, at least one social specialist and one environmental specialist will be appointed for the program's socioenvironmental management (paragraph 3.4).						
<b>Special contractual conditions of execution:</b> <sup>(g)</sup> (i) within 180 days following fulfillment of the conditions precedent to the first disbursement, the borrower will submit evidence to the Bank that at least one of the cofinancing contracts with JICA or AECID-FONPRODE has been signed; and (ii) submit evidence that ownership titles have been obtained for the assets for the Component 2 works and that the studies described in the eligibility conditions have been received (paragraph 3.5).						
<b>Exceptions to Bank policies:</b> None						
Strategic Alignment						
<b>Challenges:</b> <sup>(h)</sup>	SI <input checked="" type="checkbox"/>		PI <input checked="" type="checkbox"/>		EI <input type="checkbox"/>	
<b>Crosscutting themes:</b> <sup>(i)</sup>	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>		IC <input checked="" type="checkbox"/>	

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

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

<sup>(c)</sup> The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the relevant policies.

<sup>(d)</sup> IDB Grant Facility to Support Countries with Large and Sudden Intra-regional Migration Inflows.

<sup>(e)</sup> Reimbursable joint cofinancing under the Framework Cooperation Agreement for Economic Recovery and Social Inclusion (CORE).

<sup>(f)</sup> This joint AECID-FONPRODE joint financing for up to US\$20 million will be provided by Spain directly to the Dominican Republic for purposes of its administration and use. The FONPRODE is one of the AECID's financial instruments, regulated by Law 36/2010 and Royal Decree 597/2015 of Spain, approving the FONPRODE regulations. The framework agreement for joint financing between the Bank and the Kingdom of Spain was signed on 1 April 2017.

<sup>(g)</sup> The disbursement conditions for sources of financing other than the IDB will be included in the respective loan contracts.

<sup>(h)</sup> SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

<sup>(i)</sup> GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, problem addressed, and rationale

- 1.1 **Background.** The Dominican Republic has experienced the third-highest economic growth rate in Latin America and the Caribbean over the last decade, and it belongs to the group of medium-high income countries. From 2013 to 2019, the economy grew at an annual average of 6%, and in 2017 it ranked first among the countries of South America, Central America, and the Caribbean in terms of tourism earnings. Despite this, the country has fallen behind in terms of municipal solid waste (MSW) management, without a single adequate final disposal site (the regional average is 55%). With 10,953,741 inhabitants in 2021,<sup>1</sup> the Dominican Republic generates 11,000 waste tons of waste each day, equivalent to per capita production of 1.08 kilos per inhabitant per day (above the regional average of 0.99 kg per person per day).<sup>2</sup> Greater Santo Domingo accounts for a substantial share of this problem,<sup>3</sup> with more than 30% of the population (4,060,388)<sup>4</sup> and almost 40% of the solid waste generated in the country (around 4,000 tons per day).<sup>5</sup>
- 1.2 **Problem.** The municipal solid waste sector in the Dominican Republic faces several challenges: (i) none of the country's 240<sup>6</sup> formal and informal open-air dumpsites allow for the proper final disposal of MSW, and this includes the Duquesa dumpsite, which receives waste from the municipios in the Greater Santo Domingo area; (ii) large volumes of MSW are generated, with a recovery rate of only 1.5% of total tonnage collected (compared with 4% for Latin America and the Caribbean overall); and (iii) until the Dominican Republic's Integrated Solid Waste Management and Coprocessing Law ([Law 225](#)) was enacted in 2020, there was no satisfactory framework to support development of the MSW sector.
- 1.3 Inadequate MSW management has a substantial impact on the environment and public health. First, a lack of control over leachates generated by formal and informal open-air dumpsites leads to the pollution of surface water and groundwater.<sup>7</sup> Uncontrolled gas emissions produced by the decomposition of waste cause odors that affect the health and well-being of nearby populations. These gases also include greenhouse gas emissions (GHGs)<sup>8</sup> that have a negative impact on climate change. It is estimated that MSW management

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<sup>1</sup> [World Bank Data \(2021\)](#).

<sup>2</sup> World Bank. Kaza, S. et al. (2018), *What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050*.

<sup>3</sup> Greater Santo Domingo encompasses the municipios of the Province of Santo Domingo and the National District.

<sup>4</sup> [National Statistics Bureau of the Dominican Republic \(2021\)](#)

<sup>5</sup> IDB (2019). *Documento estratégico para el desarrollo del sector de residuos sólidos en RD* [Strategic development document for the solid waste sector in the Dominican Republic].

<sup>6</sup> Ministry for the Environment and Natural Resources (MMARN) (2021), *Levantamiento nacional de sitios de disposición final de residuos sólidos* [National survey of final solid waste disposal sites].

<sup>7</sup> IDB (2020), *From Structures to Services: The Path to Better Infrastructure in Latin America and the Caribbean*.

<sup>8</sup> Final disposal sites for solid waste are the third largest anthropogenic source of methane emissions internationally, responsible for 14% of the total.

- generates 5% of global GHG emissions. However, when soot emissions from fires and waste burning in formal and informal dumpsites are included (with a global warming potential that is 460-1,500 times higher than CO<sub>2</sub>), the waste sector's contribution to climate change is close to 10%.<sup>9</sup>
- 1.4 The costs of the negative externalities created by inadequate MSW management (in terms of environmental pollution and the costs to society) are 3 to 5 times higher than those of proper waste management (US\$20-US\$50 per capita per year versus US\$8 per capita per year). Accordingly, it is more cost-effective for society to ensure environmentally effective waste management than to persist with uncontrolled dumping.
  - 1.5 **Institutional and legal framework.** The Dominican Republic's Comprehensive Solid Waste Management and Coprocessing Law ([Law 225 of 2020](#)) is aimed at promoting recycling and recovery, while also regulating systems for waste collection, transportation, and sweeping, together with final disposal sites, transfer stations, collection centers, and recovery plants. The goal is to protect the health of the population, assure the right of all citizens to live in a healthy environment, and reduce waste-related GHG emissions.
  - 1.6 The new law also establishes planning instruments, the structures and roles of public bodies, and financing mechanisms to ensure sustainability of the service.
  - 1.7 Pursuant to the new law, the Ministry of the Environment and Natural Resources (MMARN) is the apex agency for national solid waste management policies and regulations. In terms of the objectives of this program, MMARN's role in developing solutions to the sanitary problems created by poor MSW management is essential—for example, through the remediation of open-air dumpsites, providing technical assistance and advisory in response to requests from different government institutions, and approving the National Comprehensive Waste Management Plan, one of the objectives of which is designating appropriate locations for the final disposal of solid waste in the country. Under the new law, the management of MSW collection remains the responsibility of the municipios, most of which have limited technical capabilities and insufficient budgets to provide adequate service. The law also envisages the use by municipios of service operators and public-private partnership arrangements to provide these services. Municipios impose charges for these services, but the revenue generated is lower than operating costs (between 2% and 10%).
  - 1.8 **Some of the factors that account for the gaps in solid waste management are as follows:** (i) a lack of technical prioritization and budget funding for the construction and operation of suitable MSW management facilities,<sup>10</sup> such as sanitary landfills and sorting, treatment, and recovery plants; (ii) a lack of technical, financial, and social studies to support dump closures and the design of new sanitary landfills; and (iii) an absence of programs to encourage changes in the habits and behavior of the population as regards MSW management.

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<sup>9</sup> World Bank. Kaza, S. et al. (2018), What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050.

<sup>10</sup> In the Dominican Republic, the daily operating cost per ton of MSW is US\$2, whereas the average price for proper management is at least US\$8.

- 1.9 **Opportunities provided by the new solid waste law.** Implementation of the new solid waste management law entails a significant challenge for the Government of the Dominican Republic, which will require technical and financial support and institutional strengthening, to be provided under this operation. The program will support improvements in MSW management, and to this end it will assist in preparing studies and designs, building and operating infrastructure, installing equipment, and strengthening institutional capabilities, consistent with the new law. These activities will be reflected in the proper final waste disposal; the closure of informal dumpsites; improved collection and transportation (electrification or green gas); increased MSW recycling and recovery; the construction and operation of sanitary landfills, sorting and recovery plants, and transfer stations; and, ultimately, the mitigation of negative environmental and social impacts, with special emphasis on mitigating GHG emissions.
- 1.10 **Specific issues relating to the Duquesa site.** Duquesa is on the list of the five largest active open-air MSW dumpsites in the world, and it is the largest remaining dumpsite in the Americas.<sup>11</sup> With an area of about 120 ha, it is located in the Santo Domingo Norte municipio. It is calculated that approximately 35 million tons of waste have been improperly disposed of at the site since it began operating in 1990, and it represents one of the country's largest environmental and social liabilities. In the specific case of the Duquesa dump, the Ministry has taken over management of the site following a declaration of emergency, and this has facilitated significant improvements in its operations in recent months.
- 1.11 Inadequate MSW management in Duquesa has led to numerous fires and the pollution of waterways such as the La Isabela and Ozama rivers, which have been affected by the discharge of untreated leachate. Despite the management improvements over the last year, significant investments are needed to improve waste disposal, such as leachate capture and treatment, GHG elimination, and final capping of the waste.
- 1.12 **Gradual closure of Duquesa.** The studies carried out show that the most appropriate strategy involves gradual closure of the dumpsite over a period of 4.5 years. This approach offers the following advantages: (i) sufficient time to build a new sanitary landfill, while at the same time allowing for the proper disposal of MSW from the Greater Santo Domingo area; (ii) the gradual release of new areas at the closure site that can be used for recreational purposes or energy production; (iii) the transfer of know-how to both the executing unit and the MIMARENA through direct administration of the closure of the most technically and socially complex dumpsite in the Dominican Republic; and (iv) flexibility in the implementation of the social inclusion plan for individuals engaged in recycling, due to the availability of a 4.5-year execution period.
- 1.13 **Social inclusion and disability.** Approximately 900 waste pickers in vulnerable situations (16% women and children<sup>12</sup> and 68% immigrants) recover recyclable materials from the Duquesa dumpsite. These activities take place at the areas of

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<sup>11</sup> Waste Atlas. Estimated amount of included waste. Dumpsites larger than Duquesa are found in Jakarta, Nairobi, and Lagos, and the Great Pacific Garbage Patch.

<sup>12</sup> Children under the age of 16 were observed unaccompanied on the landfill; these minors could not be interviewed as no permission could be obtained from their parents or guardians.



- the dumpsite where trucks discharge MSW in conditions of high health and hygiene risk. Given the presence of this population of informal waste pickers at the site, a diagnostic assessment was carried out for this group as part of the design process for the operation, and a social inclusion plan with a gender and diversity approach was developed. The objective is to facilitate the economic reintegration of these individuals and to implement specific actions during execution of the operation for the women, minors, older adults, and persons with disabilities identified in the project's area of influence ([optional link 5](#)).<sup>13</sup>
- 1.14 **Migration.** The population of Latin American and Caribbean migrants in the Dominican Republic increased significantly between 2018 and 2021, more than doubling over the three-year period ([optional link 13](#)). The country has received sudden, large-scale intraregional migratory flows, with a total of 693,697 new immigrants from the region between 2018 and 2021, representing 1.5% of the population.
- 1.15 **Gender.** It is estimated that women account for 44% of the waste pickers at the Duquesa site (27% immigrants and 17% Dominican) and men for 56% (41% immigrants and 15% Dominicans). Fabrics are the material most frequently recovered for recycling at the landfill (31%). The male population predominates in the collection areas, where waste pickers store material to be sold. Women's participation in these spaces is only 10%. There are also people at the landfill who purchase materials for recycling (85% men and 15% women), some of whom belong to the Buyers' Association. Literacy rates are 48% for men and 29% for women. In preparing this operation, a gender diagnostic assessment was also performed of MMARN, which found that women's participation in the institution was 32%, versus male representation of 68%. Women occupy 37% of managerial positions and 33% of vice-ministerial positions ([optional link 5](#)).
- 1.16 **Social inclusion and persons with disabilities.** Three people with visual and motor disabilities<sup>14</sup> and 26 older adults<sup>15</sup> were identified among the residents in the vicinity of the landfill (the Batey Duquesa and Los Casabas neighborhoods). Design of the operation will ensure that the facilities included in the Duquesa project will be accessible to persons with disabilities. The diagnostic assessment also identified children under 15 years of age of both Haitian and Dominican nationality working in the landfill, sometimes accompanied by family members and sometimes alone. The operation will implement specific activities to prevent child labor ([optional link 5](#)).
- 1.17 **Climate change and environmental sustainability.** Fires not only represent a high risk in landfills where gases are allowed to accumulate, but they also generate GHG emissions.<sup>16</sup> The report on Nationally Determined Contributions (NDCs) submitted in the fourth quarter of 2021 by the Dominican Republic highlighted the waste sector as one of six priority sectors for the NDC Action Plan 2010-2030. The

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<sup>13</sup> [Development in the Americas \(2020\)](#).

<sup>14</sup> Persons with disabilities account for 2.3% of the country's total population.

<sup>15</sup> [Optional link 10](#).

<sup>16</sup> Waste management is becoming one of the medium-term targets for updated NDCs, involving alignment of this activity with the objective of decarbonizing economies ([Development in the Americas, 2020](#)).

waste sector in the Dominican Republic could potentially reduce emissions by 4.1 million tons of CO<sub>2</sub> equivalent. The Duquesa biogas project could achieve reductions of around 140,000 tons of CO<sub>2</sub> equivalent per year, representing 3.4% of total NDCs in the 2010-2030 action plan ([optional link 6](#)).

- 1.18 **Technological innovation and digital transformation.** The ongoing availability of quality information is key for decision-making in the MSW sector, as well as for compliance and monitoring of the objectives included in the new waste law, for oversight, and for the identification of opportunities for improvement. The infrequent use of measurement technologies and information systems in the MSW sector hinders the availability of consistent data for waste management.
- 1.19 **Program design strategy.** Consistent with the new solid waste management law and the priority given to solid waste management in the Greater Santo Domingo area, the program places priority on building infrastructure for the closure of the Duquesa dumpsite, as well as supporting the most important features of the new law. The latter include (i) the National Solid Waste Plan, (ii) the inclusion plan for informal waste pickers, and (iii) the national solid waste information system and municipal solid waste management plans, which will include strategies to ensure sustainability of the investments financed under the operation.
- 1.20 **Bank experience in the sector and country.** Through technical cooperation operations [ATN/JC-11912-DR](#) and [ATN/JF-16822-DR](#),<sup>17</sup> completed in 2021, the Bank has been providing assistance to the Government of the Dominican Republic in preparing projects to improve comprehensive solid waste management. The two operations supported institutional strengthening and the development of planning instruments for comprehensive MSW management, such as the Master Plan for Comprehensive Waste Management in the Greater Santo Domingo area, field studies, and design of the Duquesa closure process. The Bank has considerable experience in executing MSW programs, including the Solid Waste Management Program ([2056/OP-BL](#)) ([PCR](#)), which achieved its objective of improving solid waste management in Belize, including the closure of a landfill in mile 3 with similar issues to the Duquesa dumpsite.
- 1.21 **Lessons learned from the solid waste sector and the execution of infrastructure projects in the Dominican Republic.** The program incorporates lessons learned from similar operations executed by the Bank ([Water and Sanitation Sector Framework Document \(2021\)](#)) (document GN-2781-13), including (i) using contracting modalities such as design, build, and operate or results-based contracts, as these favor innovation on the part of companies in different areas such as gender or the incorporation of new technologies; (ii) strengthening works supervision capabilities to reduce delays and cost overruns, to which end support will be provided to train officials in the use of digital tools for monitoring and supervising works, as well as drones and other devices; (iii) ensuring adequate operation and maintenance of the investments, with the inclusion of an operating period in contracts (e.g., for the biogas plant); and

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<sup>17</sup> Comprehensive Municipal Solid Waste Management in the Dominican Republic ([ATN/JC-11912-DR](#), US\$750,000) and Institutional Reform and Update of the Solid Waste Management Master Plan for Greater Santo Domingo ([ATN/JF-16822-DR](#), US\$700,000).

- (iv) including a sound diagnostic assessment of the situation of informal waste pickers.
- 1.22 Given MMARN's limited experience in executing this type of project, institutional strengthening support will be provided to the ministry through one of the components in technical cooperation operation [ATN/JF-19618-DR](#) (Support for the Digitalization and Integrated Management of Sanitation and Solid Waste Services in the Dominican Republic) and through specific activities under Component 3. The program will also provide three different types of technical assistance to strengthen execution capacity for the planned infrastructure.
- 1.23 **IDB Group country strategy.** The program falls under the IDB Group's country strategy with the Dominican Republic 2021-2024 (document GN-3084), as it contributes to the priority area of “strengthening human capital” through the expected outcome of “improved delivery of water, sewer, and solid waste management services for the vulnerable population.”
- 1.24 **Alignment.** The program is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and aligned with the development challenges of (i) social inclusion and equality, in that it promotes social inclusion and formalization of the informal waste pickers affected by the landfill closures, based on a gender and diversity approach (paragraphs 1.13, 1.27, and 1.37); and (ii) productivity and innovation, in that it improves comprehensive MSW management in the beneficiary cities, with the recycling and recovery of waste and improvements in final disposal (paragraphs 1.9, 1.28, and 1.33). It is also aligned with the crosscutting areas of (i) institutional capacity and the rule of law, as it will support improvements in service management capabilities (paragraph 1.35); (ii) gender equality and diversity, in that it includes infrastructure and strategies that will help to boost women's participation at all levels in the sector, particularly in terms of the recycling and recovery of MSW, as well as the preparation of diagnostic assessments that will help to develop a gender strategy for both the MSW management unit in MMARN and the Ministry itself (paragraph 1.35); and (iii) climate change and environmental sustainability, as it will help to ensure reductions in GHG emissions (through the capture and flaring/utilization of methane produced by open-air dumpsites), proper MSW disposal, the recycling and recovery of MSW, and improvements in MSW transportation (energy efficiency, electrification, or green gas) (paragraphs 1.29, 1.32, 1.33, and 1.34). Based on the [multilateral development banks' joint methodology for estimating climate financing](#), **92.46%** of funds under the operation will be invested in climate change adaptation activities. These funds contribute to the IDB Group's target of increasing financing for climate change related projects to 30% of approvals by the end of 2022. The program will also support job creation through both the formalization of recycling activities and increased volumes of recyclable materials, and it is aligned with the objectives of the migration facility (documents GN-2947-1 and AB-3199) (paragraph 1.37).
- 1.25 The operation will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the following development results: “households with improved access to water and sanitation,” as it supports migrants and their host communities (indicator 2.6) and gender equality (indicator 3.7); and “agencies with strengthened digital technology and managerial capacity,” in that it

- strengthens MMARN's waste management capabilities. It is aligned with the Sustainable Infrastructure Strategy for Competitiveness and Inclusive Growth (document GN-2710-5), particularly with respect to the priority area of "supporting the construction and maintenance of socially and environmentally sustainable infrastructure that helps to improve quality of life." Lastly, the program is consistent with the following sector framework documents: (i) Water and Sanitation (document GN-2781-13), on the grounds that "the projects and programs are environmentally and socially sustainable and incorporate climate change and environmental and cultural sustainability considerations;" (ii) Climate Change (document GN-2835-8), based on Dimension 4 ("countries make progress on mainstreaming climate considerations across sectors"); and (iii) Gender and Diversity (document GN-2800-8), with respect to the provision of quality public services that promote gender equality or women's empowerment, as well as projects that support the social inclusion of persons with disabilities. Lastly, the program contributes to the targets under Agenda 2030: both directly, to Sustainable Development Goals 11 and 12, and indirectly, to Sustainable Development Goals 6 and 14.
- 1.26 **Strategy for gender and diversity inclusion.** As part of the actions to support gradual closure of the Duquesa dumpsite, a social inclusion plan with a gender and diversity approach will be implemented with the objective of increasing the recycling and recovery of MSW and promoting the social inclusion of informal waste pickers, gender equity, and women's participation. The social inclusion plan provides for a livelihood compensation and restoration plan that includes (i) a work and labor conditions management program; (ii) a gender-based violence prevention and care plan; (iii) a stakeholder participation plan; (iv) a specific code of conduct; (v) a comprehensive child labor prevention plan aimed at children and adolescents and their families; (vi) awareness-building measures for all stakeholders in the areas of gender equality and the inclusion of persons with disabilities; and (vii) a qualitative study of the risk situation with respect to gender-based violence and the sexual and reproductive health of informal female workers (recyclers and non-recyclers). In MMARN, an institutional gender and diversity assessment will be undertaken and an action plan prepared that will indicate the actions to be implemented or maintained (where these already exist) with a view to mainstreaming issues of gender equality and the inclusion of persons with disabilities in the institution, its programs, and its projects ([optional link 5](#)).
- 1.27 **Strategy for incorporating innovations into MSW management.** In the case of the Duquesa dumpsite closure in particular, a works supervision strategy based on drone flights will be implemented that will ensure continuity of the data collection already undertaken using this method. Support will be provided for digitalization of both the National Solid Waste Plan and the Observatory, through the adoption of geographic information systems and automated decision-making.
- 1.28 **Strategy for including climate change considerations (mitigation and adaptation).** Activities will be implemented to avoid and/or reduce GHG emissions, such as: (i) the capture and flaring or utilization (for power generation or transportation) of biogas produced at the final waste disposal site, in accordance with "Landfill Guidelines: An Approach to Support Climate Change-Friendly Landfill Investments" (document GN-2580); (ii) solid waste recycling and recovery; and

(iii) taking climate change-related risks into account when designing and operating waste management infrastructure ([optional link 6](#)).

- 1.29 The relevance of the IDB Grant Facility (GRF) to this project is based on historical migration conditions in the Dominican Republic. The migration situation faced by the country is the result of persistent political, economic, and humanitarian crises in different countries in the continent over the last decade (particularly Venezuela and Haiti), in addition to the recent health crisis caused by the COVID-19 global pandemic. According to the 2017 National Immigrant Survey, around 50% of recent migrants are located in the metropolitan area. According to the survey of the Duquesa dumpsite and the census of informal waste pickers in the Duquesa and Los Casabes neighborhoods (the area of influence for the project),<sup>18</sup> both of which were carried out as part of project preparation, Dominicans accounted for 17.27% of the survey sample, Haitians for 75%, and Dominicans of Haitian background for 7.27%. The census yielded similar results ([optional link 1](#)).

## **B. Objectives, components, and cost**

- 1.30 **Objective.** The objective of the program is to support improvements in comprehensive MSW management in the Dominican Republic, with a particular focus on Greater Santo Domingo, so as to mitigate the negative environmental and social impacts of formal and informal open-air dumpsites located in the target areas under the intervention. The specific objectives are to (i) ensure the appropriate final disposal of MSW in the target areas under the intervention; (ii) increase MSW recycling and recovery, promoting the social inclusion of informal recyclers, gender equity, and the inclusion of diverse groups; and (iii) reduce emissions of GHGs generated through MSW management.
- 1.31 Access to improved, integrated MSW management is expected to benefit approximately 3.7 million people, primarily in the Greater Santo Domingo area, including vulnerable groups and migrant waste pickers, with a focus on environmental and climate resilience. The operation is divided into three components, as follows:
- 1.32 **Component 1. Closure of open-air dumpsites (IDB: US\$32.6 million; Japan International Cooperation Agency (JICA): US\$32.6 million; Spanish Agency for International Development Cooperation (AECID) Spanish Development Promote Fund (FONPRODE): US\$10.8 million).** This component will finance the closure of open-air dumpsites; the design, construction, and operation of biogas capture systems as part of efforts to mitigate GHG emissions; and the treatment of leachates so as to avoid ground and water resource pollution. The component will focus on financing infrastructure in the Greater Santo Domingo area, and gradual closure of the current Duquesa dumpsite will be the main works project. This component will also include technical assistance and supervision for closure and post-closure management of the dumpsite.
- 1.33 **Component 2. Sanitary landfills, auxiliary cell, recovery plants, and transfer stations (IDB: US\$6.5 million; AECID-FONPRODE: US\$6.5 million).** This

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<sup>18</sup> Los Casabes and Duquesa were selected for two reasons: (i) these are the two communities closest to the landfill; and (ii) 70% of the informal recyclers surveyed at the Duquesa dumpsite live in these neighborhoods (45% in the Duquesa neighborhood and 25% in Los Casabes).

component will finance the design, construction, and operation of sanitary landfills, treatment plants, recovery plants, and transfer stations, for which the corresponding property titles will be available. This will include the construction and/or equipping of the auxiliary cell at the Duquesa dumpsite as a transition measure pending closure of the landfill and availability of the new final disposal site. Design of the new infrastructure will take into account potential climate change-related risks. The component will also include technical assistance for the design and supervision of the new landfill, in addition to its construction. The new landfills will include leachate treatment and the capture, flaring, and potential utilization of GHGs.

- 1.34 **Component 3. Institutional strengthening, support for sustainable management and social inclusion (IDB: US\$3.1 million; JICA: US\$10.4 million; AECID-FONPRODE: US\$2.7 million; GRF: US\$800,000).** This component will finance technical assistance to MMARN for implementing the new national plan and its corresponding regulations. This will include the development of planning instruments such as the national solid waste management plan and municipal integrated waste management plans, both of which are essential tools for determining the final disposal site included in Component 2. It will also finance studies and strategies to support billing systems and financial sustainability; training programs for municipal technical staff; studies and strategies concerning viable business models and viable financing arrangements for MSW collection and transportation operations using environmentally-friendly, clean-technology trucks (e.g., electric and/or green gas vehicles); digital information systems; behavioral change and civic culture programs; and studies and strategies for institutional support and gender and diversity policies and instruments, both for MMARN and for the sector as a whole. The component also includes the comprehensive urban design proposal for the Duquesa closure and a pilot project for its implementation.
- 1.35 It will also include activities to strengthen MMARN in its regulatory role, as well as the trust fund and a number of municipios that will be selected based on preestablished criteria agreed with MMARN. In light of the technical challenges in managing the environmental liabilities at the Duquesa site, MMARN will be responsible for post-closure management of the dumpsite, including after the program has ended.
- 1.36 The component will also finance the design and implementation of social and economic inclusion plans with a gender, migration, and diversity approach, targeting the informal waste pickers present at the final disposal sites included in this program. This will include education, training, workforce reintegration plans, and support for job creation, entrepreneurship and the creation of new businesses, all aimed at stakeholders involved in the recycling ecosystem and the recovery plant. Financing will also be provided for the design and construction of solutions to improve roads, lighting, and water supply in the Duquesa area.
- 1.37 **Administration, audit, and monitoring and evaluation (US\$4 million).** Financing will be provided to cover administrative and supervision expenses, external audits, and program evaluations.

**C. Key results indicators**

1.38 The program will directly benefit approximately 3.7 million residents located primarily in the Greater Santo Domingo area and in other selected areas where projects will be executed. It will also indirectly benefit the Dominican population as a whole through support for implementation of the new solid waste management law. Specific benefits consist of the separation and sale of recovered materials, the closure of open-air dumpsites and elimination of the associated negative environmental impacts, and the proper disposal of MSW in sanitary landfills. These projects are also based on a social inclusion approach, benefiting waste pickers by improving their working conditions. The three sources of financing will be important for achieving the program's objectives. The main results indicators for the program are as follows:

**Table I-1 Main results indicators**

Results indicator	Unit of measure	Baseline	Target
Surface area of closed open-air dumpsites in the program's area of intervention.	Hectares	0	120
Tons of waste recovered in recovery plants in the program's area of intervention.	Thousands of tons	0	36

**II. FINANCING STRUCTURE AND MAIN RISKS**

**A. Financing instruments**

2.1 **Modality and financing structure.** The operation will be executed as a multiple works program financed by an investment loan. A five-year disbursement period has been determined, consistent with the project execution plan ([required link 1](#)) and experience under prior operations (paragraph 1.20). The multiple works modality is considered appropriate as the program involves physically similar works (dumpsite closures and sanitary landfills). The period for material commencement of works will be two years from the time the loan contract takes effect.

2.2 **Cost and financing.** Total program cost is US\$110 million, of which US\$44.2 million will be financed from the IDB's investment contribution, US\$800,000 from the GRF, US\$45 million from JICA, and US\$20 million from AECID-FONPRODE (see Table II-1). The JICA and AECID-FONPRODE cofinancing agreements are at an advanced stage in the approval process relative to the timeline for approval of the operation. The coordination arrangements developed with JICA and AECID-FONPRODE and led by the IDB will be continued during execution of the program, and regular meetings will be held. Pursuant to the provisions of the framework agreement with the Kingdom of Spain, the Bank and AECID-FONPRODE will sign an individual joint financing agreement under which the Bank will provide supervision and monitoring services and will charge a service fee for project preparation and supervision, which will be distributed among the Bank's departments that supported the project's preparation, execution, and monitoring.

**Table II-1. Estimated project costs<sup>19</sup> (US\$ million)**

Components	IDB	JICA	AECID-FONPRODE	GRF	Total	%
Component 1. Closure of open-air dumps	32.6	32.6	10.8	0.0	76.0	69.1
Subcomponent 1.1. Closure of the Duquesa dumpsite	21.6	21.6	10.8	0.0	54.0	49.1
Subcomponent 1.2. Other Component 1 activities	11.0	11.0	0.0	0.0	22.0	20.0
Component 2. Sanitary landfills, auxiliary cell, recovery plants, and transfer stations	6.5	0.0	6.5	0.0	13.0	11.8
Subcomponent 2.1. Construction of auxiliary cell	1.8	0.0	1.8	0.0	3.6	3.3
Subcomponent 2.2. Construction of other sanitary landfills (including design and supervision)	4.7	0.0	4.7	0.0	9.4	8.5
Component 3. Institutional strengthening, support for sustainable management and social inclusion.	3.1	10.4	2.7	0.8	17.0	15.5
Administration or other contingent expenses	2.0	2.0	0.0	0.0	4.0	3.6
<b>Total</b>	<b>44.2</b>	<b>45.0</b>	<b>20.0</b>	<b>0.8</b>	<b>110.0</b>	<b>100</b>

### 2.3 Estimated disbursements.

**Table II-2. Estimated disbursements<sup>20</sup> (US\$ million)**

Source/year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>IDB (US\$ million)</b>	5.5	6.2	12.2	11.9	8.3	44.2
%	35%	35%	43%	42%	42%	40%
<b>JICA (US\$ million)</b>	8.1	9.0	12.9	8.9	6.1	45.0
%	51%	51%	46%	31%	31%	41%
<b>AECID-FONPRODE (US\$ million)</b>	2.2	2.4	2.9	7.3	5.2	20.0
%	14%	14%	10%	26%	26%	18%
<b>GRF (US\$ million)</b>	0.2	0.2	0.2	0.2	0.2	0.8
%	1%	1%	1%	1%	1%	1%
<b>Total</b>	15.9	17.8	28.1	28.2	19.8	110.0
%	15%	16%	26%	26%	18%	100%
<b>Cumulative %</b>	15.9	33.8	61.9	90.2	110.0	100%

<sup>19</sup> Estimated distribution of financing sources across components and subcomponents.

<sup>20</sup> Detailed Costs and Disbursements Table ([optional link 7](#)).



- 2.4 **Additionality of grant resources.** Unprecedented migratory flows are a new challenge for the countries of Latin America and the Caribbean, with potentially harmful effects for the host communities if not effectively addressed. To contend with these exceptional circumstances, the Board of Governors of the IDB approved the use of up to US\$100 million from Ordinary Capital resources under the Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows (documents GN-2947-6 and AB-3199). This use of this facility is aimed at assisting countries to design appropriate interventions to ensure that migrants and their host communities can access basic and social services while also providing them with economic opportunities, benefiting both groups in order to support inclusive development and foster positive relationships.
- 2.5 **Fulfillment of eligibility criteria for the migration GRF.** Access to GRF resources (RD-J0001) is provided in accordance with the eligibility criteria set out in the Operating Guidelines for the Use of Resources from the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows (document GN-2947-6): (i) the number of cross-border intraregional immigrants received by the Dominican Republic over the last three years exceeds 0.5% of the total population; (ii) flows have been rapid and massive; (iii) the program is consistent with one of the thematic areas of intervention stipulated in document GN-2947-1 (Proposal to Expand the Scope of the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows) and described in paragraphs 3.16 (ii) and (iii) (specifically access to basic services) and it will benefit both the migrant population and its host communities ([optional link 13](#)); (iv) the potential migrant beneficiary population for the operation comprises migrant waste pickers (from a total population of more than 900 waste pickers)<sup>21</sup> who will benefit from the activities under the operation; and (v) the operation is included in the country program (paragraph 1.23). [Optional link 13](#) provides a detailed justification of compliance with the criteria.
- 2.6 **Sample.** As this is a multiple works program, a viability analysis was performed for a representative sample of the projects to be financed. The sample projects include closure of the first section of the Duquesa dumpsite, construction of an auxiliary cell to sanitary landfill specifications, and a recovery plant for sorting solid waste. The sample represents 37% of the overall program and it satisfies the eligibility criteria. The sample included the social analysis of all informal waste pickers at the Duquesa dumpsite, although with respect to infrastructure it includes only the first section.<sup>22</sup> The project to close the rest of the Duquesa site (accounting for 23% of the overall program amount) is at an advanced stage of development: designs will be available in October 2022 and are technically highly similar to those for the first section. The conclusions of the different analyses are set out below.
- 2.7 **Technical viability.** An evaluation of the technical files for the preliminary project designs for the sample ([optional link 2](#)) concluded that these adequately addressed the identified needs and the objectives set for the program. The designs are based on a medium- and long-term vision and follow generally accepted

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<sup>21</sup> Migrants account for approximately 68% of the surveyed population of recyclers ([optional link 5](#)).

<sup>22</sup> The dumpsite project is environmentally and social classified as a category A operation due to the number of informal waste pickers, all included in the sample (section 1 of the gradual closure of Duquesa).

engineering principles. The prioritized solutions were the result of an appropriate analysis of alternatives, with studies and designs at an advanced stage of development for use in bidding processes. The [program Operating Regulations](#) describe eligibility and prioritization criteria, which will be taken into account in the rest of the projects financed under the program.

2.8 **Socioeconomic viability.** As this is a multiple works program, an economic evaluation was performed for the projects in the sample (paragraph 2.6). Consistent with standard practice for this type of project, an analysis of alternatives was performed for the different projects in the sample. In the case of the economic analysis, a cost-effectiveness analysis was prepared comparing the cost of the different alternatives for discharging and storing waste, covering waste, treating leachates, and capturing biogas, with a view to selecting the most cost-effective alternative in each instance. The effectiveness indicator used was the number of tons of solid waste disposed of and controlled in a sanitary and environmentally sound manner. The evaluations were supplemented by the corresponding sensitivity analyses, which demonstrate the robustness of the results. Further details of the results can be found in the economic analysis ([optional link 1](#)).

2.9 **Institutional and financial viability.** The results of the institutional capacity assessment carried out using the Institutional Capacity Assessment Platform (ICAP) highlighted the following execution-related issues for MMARN: (i) in terms of institutional strengths, the Integrated Solid Waste Management and Coprocessing Law has established a comprehensive legal and institutional framework for solid waste management; (ii) the law provides for important instruments, including the trust fund, which is a valuable tool for strengthening the financial sustainability of integrated solid waste management; (iii) given its recent creation, this legal and institutional framework needs to be further developed and consolidated, and this will be supported by technical assistance provided under the program; (iv) with regard to operating and maintenance costs at Duquesa, these are currently covered by revenue from the final disposal charge paid by town halls and other entities that dispose of their waste at the dumpsite, as well as funding from MMARN; (v) gradual closure of the Duquesa site will significantly increase costs, including those of the facilities to be implemented (including the leachate treatment plant and the gas collection and management system), and program funds will therefore cover these costs during the execution period; (vi) at the end of the execution period, the country, through the executing agency, will undertake to ensure proper operation and maintenance of the site, including during the post-closure phase (environmental and geotechnical monitoring, leachate treatment, biogas capture and management, and general maintenance of the facilities) and operation of the auxiliary cell; and (vii) to ensure the sustainability of works other than Duquesa, an agreement will be signed between the executing agency and the municipio/province in which the latter undertakes to properly operate and maintain the infrastructure to be financed ([optional link 3](#)).

## **B. Environmental and social risks**

2.10 Pursuant to the Bank's Environmental and Social Policy Framework (ESPF), and based on the results of the environmental and social impact analysis (ESIA), this program has been classified as a Category A operation, given the existence of potential social impacts on means of livelihood and economic displacement of

- extremely vulnerable stakeholders, more than 800 waste pickers, predominantly migrants, food vendors, brokers established in the areas surrounding the dumpsite, and transportation service providers, housing rentals, and groups or associations of buyers of materials that may oppose the program. In addition, works under the infrastructure and equipment component may have significant negative socioenvironmental impacts, such as leachate contamination of soil, surface water, and groundwater; due to both the nature of the dumpsite and the planned interventions, which could potentially affect exposure to diseases; the health and safety of the community, formal workers, and recyclers. No human rights violations will be caused by the program, which will follow the ESPF, its guidelines, and its corresponding environmental and social performance standards (ESPS).
- 2.11 The operation is subject to high environmental and social risk due to social risks from the presence of extremely vulnerable actors; contextual risks associated with the legal framework for solid waste management (which is still being developed); and performance risk on the part of the executing agency (which was created only recently and is in the process of being established with the Bank's support).
- 2.12 Disaster and climate change risk has been confirmed as moderate, due to the high risk of hurricanes ([optional link 6](#)); the moderate exposure of infrastructure to events such as one-off floods and earthquakes, which compound the moderate criticality and vulnerability of the Duquesa dumpsite; and the risk mitigation measures that are planned under the program to improve current conditions, starting from the design of the technical closure process. To meet the requirements established in the ESPF, and particularly those in the 10 ESPS, the executing unit is preparing the summary document for the environmental and social management system for the works in the sample, in accordance with the indications in ESPS 1, the ESIA, and the environmental and social management plan (ESMP). The ESMP includes plans and programs to address the identified risks and impacts, with a particular focus on the potential effects on vulnerable groups, economic displacement, and sexual and gender-based violence, including child labor, teenage pregnancy, and human trafficking. These include a comprehensive child labor and human trafficking prevention plan, which is aimed at children, adolescents, and their families and includes a sexual and reproductive health component. As part of the ESIA, a social inclusion plan (PISO) has been developed in parallel that adopts a gender-based approach. Although the plan is focused on the waste pickers, it includes other vulnerable actors that have been identified (food service providers, who are mainly women; transport providers; and other actors involved in the recycling value chain who are based in the vicinity of the dumpsite). Guidelines have also been included to ensure satisfactory environmental and social performance in future works under the operation, through an environmental and social management framework (ESMF) ([optional link 11](#)) for works not included in the sample, as part of the environmental and social management system ([optional link 14](#)).
- 2.13 A stakeholder participation plan was developed as part of the [ESIA](#) for the sample works, while two preliminary public consultations were held in neighboring communities with waste pickers and community leaders (7 and 8 July 2022) as part of the preparation of the PISO. Similarly, three culturally meaningful consultation events were held on 19 and 22 August, two of which were in the neighborhoods adjacent to Duquesa (Batey Duquesa and Los Casabes) and at

the sites identified as suitable in previous consultations (community enclaves) ([optional link 12](#)). The stakeholder participation plan provides for consultations regarding each work in the sample during the entire lifecycle of the operation, as well as the dissemination of information using culturally appropriate arrangements and the development of studies and management plans in accordance with the applicable environmental and social performance standards. As part of the [ESMF](#), a stakeholder participation framework was developed for the program as a whole. During the consultations, emphasis was placed on the need to create work opportunities for women while avoiding impacts on those with grocery stores; to provide access to education and recreational activities for children and young people; and to improve the health of residents by upgrading neighborhoods. All of these issues are addressed in the operation. Comments in the three consultations were supportive of the project, and this is also clear from local press releases.

- 2.14 The preliminary ESIA, ESMP, ESMF, and PISO were published on the Bank's website on 21 July 2022, prior to the analysis mission, and were simultaneously published on the MMARN website.

**C. Fiduciary risks**

- 2.15 Procurement financed with loan proceeds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the IDB (document GN-2349-15) and Policies for the Selection and Contracting of Consultants (document GN-2350-15). Program financial management will be conducted in accordance with the Financial Management Guidelines for IDB-Financed Projects (document OP-273-12). No exceptions to the Bank's policies are expected.

**D. Other key issues and risks**

- 2.16 The main identified preparation risks include delays to the required studies, for which consultants will be contracted to support their preparation. The following execution risks have been preliminarily identified: (i) delays in obtaining the permits and authorizations required to start works, as well as time overruns in contract execution periods that could lead to execution delays; (ii) opposition from interest groups (recyclers at landfills, dumpsites, adjacent areas, etc.), which could have a negative impact on the project; and (iii) insufficient human and financial resource allocations to allow adequate operation and maintenance of the infrastructure.
- 2.17 **Sustainability.** Several instruments have been identified to ensure the sustainability of the works financed under the program: (i) training of MMARN's technical staff in solid waste management through the Duquesa closure process and various technical assistance initiatives; (ii) the use of Bank grant instruments to support technological, operational, and social innovations that will foster greater involvement of the community in ensuring sustainability of the services; and (iii) with respect to the new law, preparation of regulations directly linked to issues of sustainability (e.g., the National Solid Waste Plan, which sets operating costs).

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower will be the Dominican Republic, acting through the Ministry of the Environment and Natural Resources (MMARN). The latter will execute the program through a project executing unit, attached to the Integrated Solid Waste Management Program, that will be responsible for general and technical program coordination and ensuring that program objectives are met in accordance with the loan contract and the program Operating Regulations.
- 3.2 **Program Operating Regulations.** The program Operating Regulations ([optional link 4](#)), referred to in Clause 3.01 of the Special Provisions, will determine the needs and specific details established for the program and will describe elements including the project cycle, tools and mechanisms for institutional coordination, and environmental and social criteria. A specific annex will set forth the fiduciary considerations, detailing the procedures and requirements for the works considered under direct administration.
- 3.3 **Eligibility and coordination criteria.** To receive program funding, a project will meet the following requirements: (i) all projects will be viable in technical, institutional, legal, financial, environmental, social, and socioeconomic terms (the latter requiring a cost-benefit analysis with an internal rate of return above 12% or a cost efficiency analysis identifying the alternative with the lowest economic cost of at least three analyzed alternatives) and will also be consistent with the issues identified in the program Operating Regulations; (ii) eligible projects will be Category B or lower pursuant to the Bank's Environment and Social Policy Framework and the guidelines established in the ESMF for the program; and (iii) eligible projects will be located in the greater Santo Domingo area. The following criteria will be used to prioritize projects, as described in the program Operating Regulations: (i) a rate of proper final disposal of solid waste below 30%; (ii) location in the Greater Santo Domingo area; and (iii) municipal poverty rate greater than 15%.
- 3.4 **Special contractual conditions precedent to the first disbursement of the loan proceeds.** Prior to the first disbursement of loan proceeds, (i) the signing and entry into force of a subsidiary agreement between the borrower (represented by the Ministry of Finance) and MMARN, setting out the terms for both the transfer of funds to MMARN and the parties' other execution obligations; (ii) creation of the executing unit in MMARN, with the appointment or hiring of the following minimum staff complement: (a) a general coordinator, (b) a procurement specialist, (c) a financial specialist, (d) an environmental specialist, and (e) a social specialist; (iii) approval of the [program Operating Regulations](#) (paragraph 3.2); (iv) the borrower, through the executing agency, will have submitted evidence of the entry into effect of the program Operating Regulations, in accordance with the terms agreed upon with the Bank; and (v) as part of the execution structure, the formation of which is a condition precedent to the first disbursement of the loan proceeds, at least one social specialist and one environmental specialist will be appointed for the program's socioenvironmental management.

- 3.5 **Special contractual conditions of execution.** (i) within 180 days following fulfillment of the conditions precedent to first disbursement, the borrower will submit evidence to the Bank that at least one of the cofinancing contracts with JICA or AECID-FONPRODE has been signed; and (ii) submit evidence that ownership titles have been obtained for the assets required for the works under Component 2 and that the studies described in the eligibility conditions have been received (paragraph 3.3).
- 3.6 **Procurement and audit.** Procurement financed on whole or in part with loan proceeds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the IDB (document GN-2349-15) and Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15). The advanced use of country systems (including the subsystems for national competitive bidding, shopping, framework agreements, reverse auctions, and individual consultants), as approved by the Bank's Board of Executive Directors (document GN-2538-22 of 2017), will be applied in accordance with the scope of the relevant approval and the provisions of [Annex III](#) of this document.
- 3.7 **Retroactive financing.** The Bank may retroactively finance, against the loan proceeds, up to US\$8.8 million (20% of the proposed loan amount) as described in [Annex III](#).
- 3.8 **Disbursements and advances of funds.** Loan disbursements will be made primarily in the form of advances of funds. Disbursement frequency will be determined by the six-month financial program for the project, in accordance with the Financial Management Guidelines for Bank-financed Projects (document GN-2811). The Bank may make a new advance of funds once at least 80% of cumulative fund advances have been accounted for. GRF resources will be disbursed pari passu, simultaneously, following the same criteria as the loan and in proportion to the Ordinary Capital loan resources, as provided for in documents AB-3199 and GN-2947-6.
- 3.9 **Audit.** The external audit of the project will be performed by an entity eligible to audit Bank-financed operations. Audits will be contracted and financed using program resources, consistent with procedures, terms of reference, and requests for proposals that have received the Bank's no objection. During execution, MMARN will submit audited program financial statements to the Bank within 120 days following the close of each fiscal year and the date of the last disbursement.
- B. Results monitoring and evaluation arrangements**
- 3.10 **Monitoring.** The executing agency will prepare status reports on the activities for which it is responsible, including progress toward the attainment of results. Monitoring arrangements will include the procurement plan, project execution plan, annual work plan, results matrix, semiannual progress report, and risk management plan. Within 60 days of the end of each six-month period, the executing agency will submit semiannual progress reports to the Bank on the advances achieved and results obtained, with the inclusion of an action plan for the following six-month period ([required link 2](#)).

- 3.11 **Evaluation.** The executing agency will contract (i) a midterm evaluation including, separately, the results of efficiency and effectiveness measurements, to be submitted to the Bank within 90 days following the date on which 40% of loan proceeds have been disbursed; and (ii) a final evaluation to be submitted within 90 days of the date of final disbursement under the program ([required link 2](#)). The proposed evaluation method will be “before and after,” which will involve measuring the results indicators once the interventions have been implemented and comparing them to determine whether targets have been achieved. As part of the final evaluation, an ex-post economic evaluation will be performed using the methodology described in the monitoring and evaluation plan ([required link 2](#)).
- 3.12 **Operation and maintenance.** The borrower will undertake to adopt, through the executing agency, the measures needed to ensure that goods and works within the framework of the program are adequately maintained, including once the program has been fully executed. This will be in accordance with the powers and institutional structures envisaged in the new waste law and consistent with generally accepted technical standards. During the execution period, the borrower, through the executing agency, will submit a report on the status of said goods and works as part of the semiannual progress reports. Should it be determined, based on the inspections carried out by the Bank or the reports received by it, that maintenance falls short of the agreed levels, the borrower, through the executing agency, will adopt the measures necessary to fully correct these deficiencies.

Development Effectiveness Matrix		
Summary		DR-L1156
<b>I. Corporate and Country Priorities</b>		
<b>Section 1. IDB Group Strategic Priorities and CRF Indicators</b>		
Development Challenges & Cross-cutting Issues	<ul style="list-style-type: none"> <li>-Social Inclusion and Equality</li> <li>-Productivity and Innovation</li> <li>-Gender Equality and Diversity</li> <li>-Climate Change</li> <li>-Institutional Capacity and the Rule of Law</li> </ul>	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Emissions avoided (annual tons CO2 equivalent)	
<b>2. Country Development Objectives</b>		
Country Strategy Results Matrix	GN-3084	Strengthening of human capital, through improvements in the provision of water, sanitation and solid waste management services to the vulnerable population.
Country Program Results Matrix		The intervention is not included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
<b>II. Development Outcomes - Evaluability</b>		<b>Evaluable</b>
<b>3. Evidence-based Assessment &amp; Solution</b>		<b>9.2</b>
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.2
3.3 Results Matrix Quality		3.6
<b>4. Ex ante Economic Analysis</b>		<b>10.0</b>
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		2.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
<b>5. Monitoring and Evaluation</b>		<b>8.4</b>
5.1 Monitoring Mechanisms		2.8
5.2 Evaluation Plan		5.5
<b>III. Risks &amp; Mitigation Monitoring Matrix</b>		
Overall risks rate = magnitude of risks*likelihood		Medium High
Environmental & social risk classification		A
<b>IV. IDB's Role - Additionality</b>		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	DR-T1242

**Evaluability Assessment Note:**

The operation's general objective is to contribute to the improvement of the comprehensive management of urban solid waste in the DR, with a special focus on the Greater Santo Domingo, to mitigate the negative environmental and social impacts of the open-air dumps located in the targeted intervention areas. The specific objectives are (i) to ensure the adequate final disposal of urban solid waste in the areas targeted by the intervention; (ii) increase the recovery and valorization of solid waste, promoting the social inclusion of informal recyclers, gender equity, and the inclusion of diversity; and (iii) reduce the generation of GHG emissions in the management of urban solid waste.

The diagnosis of the problem is clear, and the factors associated with solid waste management gaps in RD are adequately identified, including lack of technical and budgetary prioritization of the construction and operation of adequate MSW management facilities. The proposal describes the specific problem related to the inadequate management of solid waste in the Duquesa dump and the need for its progressive closure considering aspects of gender, social inclusion and environmental sustainability.

To address the problems raised, the intervention is structured in two components: I) Closure of open-air dumps; II) Landfills, auxiliary cell, recovery plants and transfer stations; and III) Institutional strengthening, support for sustainable management and social inclusion. The results matrix (RM) is consistent with the diagnosis and the proposed solutions and adequately reflects the vertical logic of the project. Most of the output and result indicators are SMART and present their respective baseline values, targets, and corresponding means of verification.

The socioeconomic evaluation is adequate and was based on a cost-effectiveness analysis of representative projects to be implemented in Duquesa. A comparative analysis of costs per ton of solid waste was carried out for alternative technical solutions for the closure of zone A of the Duquesa landfill (discharge, accommodation and coverage), the treatment of leachate and the capture of biogas. The analysis included an adequate sensitivity analysis.

The monitoring and evaluation plan proposes a retrospective evaluation based on a "before and after" analysis of result indicators in the RM, as well as an ex post economic analysis. M&E arrangements have a properly identified budget.



**RESULTS MATRIX**

<b>Project objective:</b>	To support improvements in comprehensive municipal solid waste (MSW) management in the Dominican Republic, with a particular focus on Greater Santo Domingo, with the aim of mitigating the negative environmental and social impacts of open-air dumpsites located in the areas targeted under the intervention. The specific objectives are to: (i) ensure the appropriate final disposal of MSW located in the target areas under the intervention; (ii) increase MSW recycling and recovery, promoting the social inclusion of informal waste pickers, gender equity, and the inclusion of diverse groups; and (iii) reduce emissions of greenhouse gases (GHGs) generated through MSW management.
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**GENERAL DEVELOPMENT OBJECTIVES**

Indicators	Unit of measure	Baseline amount	Baseline year	Expected year of achievement	Target	Means of verification	Comments
Population for which MSW is recovered and/or properly disposed of	Inhabitants	0	2022	2027	3.7 million	Calculation of the number of beneficiaries in the greater Santo Domingo area whose MSW is recovered and/or properly disposed of.	4,000 tons per day and per capita production of 1.08 kilos per inhabitant per day are assumed.

**SPECIFIC DEVELOPMENT OBJECTIVES**

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
<b>Specific development objective 1: Ensure the proper final disposal of MSW located in the targeted areas under the intervention.</b>											
Informal open-air dumpsites closed in the program's zone of intervention	Hectares	0	2022	0	0	0	0	120	120	Executing agency reports based on topographical measurements and drone flyovers	Closure includes capping the landfill, leachate treatment, and gas collection. During closure of the dumpsite, solid waste will be used for the final formation of the sites with proper disposal. The baseline reflects the total area of the Duquesa dump.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
Proportion of solid waste disposed of properly in new sanitary cells or landfills in the program's target areas	Percentage	0	2022	0	0	0	0	100	100	Executing agency reports based on topographical measurements and drone flyovers	
<b>Specific development objective 2: Increase the recycling and recovery of municipal solid waste by promoting the social inclusion of informal waste pickers, gender equality, and the inclusion of diverse groups.</b>											
Tons of waste recovered in recovery plants in the program's area of intervention	Thousands of tons recovered per year	0	2022	0	0	0	18	36	36	Executing agency reports based on recorded weights leaving the plant	The recovered material consists of recyclables (i.e. plastic, paper, cardboard, glass, and metal).
Proportion of waste pickers benefiting from the Livelihood Compensation and Restoration Plan in the program's intervention area	Percentage	0	2022	0	0	0	0	100	100	Executing agency reports	Number of waste pickers benefiting from at least one action/program under the Livelihood Compensation and Restoration Plan as a proportion of the total number of waste pickers (as identified through digital identity strategies in the census for the Social Inclusion Plan (PISO)).
<b>Specific development objective 3: Reduce GHG emissions generated through MSW management.</b>											
Reduction in tons of CO <sub>2</sub> due to the closure of informal open-air dumpsites	Thousands of tons of CO <sub>2</sub> equivalent per year	0	2022	0	0	0	0	140	140	Executing agency reports based on measurements of biogas recovered from formal and informal open dumpsites	GHG emissions reduced through closures of formal and informal open dumpsites.

## OUTPUTS

Indicators	Unit of measure	Baseline	Baseline year	US\$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
<b>Component 1: Closure of open-air dumpsites.</b>												
Progress in works to close Duquesa	Percentage	0	2022	54.0	10	35	60	85	100	100	Executing agency reports based on topographical measurements and drone flyovers	The percentage is calculated as follows: Hectares closed and capped with leachate and biogas collection systems and internal roads/Total area to be closed at 60m (79 hectares).
Leachate treatment plant installed and operating	Plant	0	2022	8.50	0	0	1	0	0	1	Certificate of satisfactory acceptance of the works	
Technical assistance and supervision contract in place for the Duquesa closure	Contract	0	2022	4.00	1	1	1	1	1	1	Semiannual technical assistant reports validated by the project execution unit	
Biogas pilot plant installed and operating at Duquesa	Plant	0	2022	9.5	0	0	0	0	1	1	Certificate of satisfactory acceptance of the works	
<b>Component 2: Sanitary landfills, auxiliary cell, recovery plants, and transfer stations.</b>												
Auxiliary cell built and operating in Duquesa to sanitary landfill standards	Cell	0	2022	3.50	0	0	0	1	0	1	Works acceptance report	
Preinvestment studies completed for the design of new sanitary landfills	Study	0	2022	1.50	0	0	1	0	0	1	Executing agency reports	
Sanitary landfills built and operating	Landfill	0	2022	8.00	0	0	0	0	1	1	Works acceptance report	
<b>Component 3: Institutional strengthening, support for sustainable management and social inclusion.</b>												
Regulations and plans adopted by MMARN for the implementation of Law 225/20 with a gender-based approach	Regulation Plan	0	2022	4.8	0	1	1	1	1	4	Executing agency reports	Includes preparation and adoption of the national integrated solid waste management plan; regulations for landfill closures; and regulations for

Indicators	Unit of measure	Baseline	Baseline year	US\$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Project completion	Means of verification	Comments
												plans governing social inclusion, sustainability, behavioral change, extended producer responsibility, plastics, etc.
National Solid Waste Observatory launched	Observatory	0	2022	1.2	0	0	1	0	0	1	OE reports	Also known as the Dominican Republic's solid waste information subsystem.
MMARN gender strategy designed and adopted	Strategy	0	2022	0.5	0	0	0	0	1	1	Executing agency reports	
Duquesa PISO implemented with a gender and diversity perspective	Percentage	0	2022	1	20	40	60	80	100	100	Progress report with the Bank's no objection	Includes PISO activities other than the recyclable waste classification and recovery plant.
Staff training in recycling activities	Number of training events	0	2022	1.4	1	1	1	1	1	5	Executing agency reports	A minimum of 40 hours of certified training will be included aimed at women and/or LGBTIQ+ individuals with mid-or advanced-level technical training.
Recyclable waste classification and recovery plant built and operating	Plant	0	2022	4.1	0	0	0	1	0	1	Certificate of satisfactory acceptance of the works	The plant falls under implementation of the PISO.
Proposed design validated for use of land after the Duquesa closure	Design	0	2022	2.5	0	0	0	1	0	1	Design proposal validated by the relevant institutions	
Pilot recreational area	Pilot	0	2022	1.5	0	0	0	0	1	1	Works acceptance report	The design will be developed as part of the design proposal for the Duquesa closure.

**Country:** Dominican Republic    **Division:** WSA    **Project No.:** DR-L1156    **Year:** 2022

### FIDUCIARY AGREEMENTS AND REQUIREMENTS

**Executing agency:** Ministry of the Environment and Natural Resources (MMARN)

**Operation name:** Greater Santo Domingo Sustainable Comprehensive Solid Waste Management Program

#### I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

##### 1. Use of country systems in the operation<sup>1</sup>

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information system	<input type="checkbox"/> National Competitive Bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

##### 2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Cofinancing	The Spanish Agency for International Development Cooperation-Spanish Development Promotion Fund (AECID-FONPRODE) and the Japan International Cooperation Agency are expected to provide cofinancing, with the amounts still to be defined.
<input checked="" type="checkbox"/>	Special features of fiduciary execution	Execution will be performed in part through “direct administration,” meaning that the execution unit will directly perform certain tasks itself rather than hiring companies for this purpose.

##### 3. Fiduciary capacity

Fiduciary capacity of the executing agency	An evaluation of the fiduciary capacity of the Ministry of the Environment and Natural Resources (MMARN) was carried out during the preparation of this loan operation, using the Institutional Capacity Assessment Platform (ICAP). This highlighted the following financial management issues for execution: (i) PGRS staff lack experience in IDB financial policies and procedures, and (ii) the PGRS lacks a financial procedures manual for executing the IDB program. This is consistent with the issues identified in the risk matrix, and to this end the following measures are planned: (i) a financially independent project execution unit (PEU) will be created to manage program accounting and treasury standards; and
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<sup>1</sup> Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of validation by the Bank.

	<p>(ii) the country's financial system may be used for financial management under the IDB program.</p> <p>With respect to procurement, it was established that PGRS staff lack experience in IDB procurement policies and procedures, as well as a procurement procedures manual for executing the IDB program. Accordingly, it is recommended that the PEU be created with administrative independence for the purposes of managing program procurement and that the Procurement Plan Execution System (SEPA) be used.</p>
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4. Fiduciary risks and response

<b>Risk classification</b>	<b>Risk</b>	<b>Risk level</b>	<b>Risk response</b>
Human resources	If the PEU lacks the necessary staff, this could delay launch of the program and raise the cost and duration of program implementation.	Medium-low	In the case of financial management and procurement risks, actions have been included to ensure ongoing strengthening of the executing agency through training, assistance, and supervision by the Bank's fiduciary team in the fiduciary area. The project team will also be strengthened through support consultants aimed at ensuring that the team's responsibilities are properly distributed, allowing them to perform financial tasks within the expected time frames while also designing and managing bidding processes.
Planning	Delays in the approval and bidding processes for the different works components to be financed under the infrastructure program could lead to delays in execution and the attainment of program objectives.	Medium-high	In terms of the risks associated with bidding and procurement processes, advanced project designs have been prepared, bidding processes will be planned in detail, and a system will be created for monitoring compliance with the expected benchmarks for each process. The IDB will also provide technical assistance to prepare the bidding documents and will provide advisory support throughout the bidding process.

## II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

<b>Special conditions precedent to first disbursement:</b>
<b>Exchange rate:</b> For the purposes of the activities stipulated in Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate will be the one indicated in subparagraph (b)(i) of said Article. For the purposes of determining the equivalent value of expenses incurred in local currency as part of local counterpart funding, or for the reimbursement of expenses from loan proceeds, the agreed exchange rate will be that in effect on the date that the relevant payments are made to contractors, suppliers, or beneficiaries by the borrower, executing agency, or any other natural or legal person to whom the authority to incur expenses has been delegated.
<b>Type of audit:</b> Annual financial audit reports will be submitted within 120 days of the end of each fiscal year, with a final audit to be submitted within 120 days after the date of last disbursement.

## III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	The procurement of works, goods, and nonconsulting services subject to international competitive bidding (ICB) under the Bank's procurement policies (document GN-2349-9) will be carried out using either the standard bidding documents issued by the Bank or, in the case of limited bidding, the bidding documents agreed between the executing agency and the Bank. The selection and contracting of consulting services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants (document GN-2350-15) and will use either the Bank's Standard Request for Proposals document or the request for proposals agreed between the executing agency and the Bank. The review of technical specifications and terms of reference for contracts during preparation of the selection processes is the responsibility of the project sector specialist. This technical review may be carried out ex ante and is independent of the method of procurement review.
<input checked="" type="checkbox"/>	Advance procurement / retroactive financing	Where procedures substantially similar to those set out in the loan contract have been followed, the Bank may use up to US\$8.8 million of loan proceeds (20% of the proposed loan amount) for the retroactive financing of eligible expenditures incurred by the borrower under Component 1 prior to the date of loan approval, primarily for activities involving access roads, capping material, and other activities relating to the Duquesa landfill. Such expenditures will have been made after the project profile approval date. Expenditures incurred more than 18 months prior to loan approval will not be eligible (see documents GN-2349-15, GN-2350-15, and the Bank policy on recognition of expenditures, retroactive financing, and advance procurement (document GN-2259-1)).

☒	Special provisions applicable to the operation	The direct administration method will be used for the landfill closure operation, up to a maximum amount of US\$41,928,066. Pursuant to paragraphs 3.9(c), (d), and (e) of document GN-2349-15, use of this method is justified due to the status of the landfill, which is in operation and will require flexibility in the event of interruptions or emergencies during the closure process. Details of the modalities applicable to these directly administered works will be laid out in the program Operating Regulations.
☒	Procurement supervision	Supervision will be conducted on an ex post basis, with the exception of those cases in which ex ante supervision is justified. Where procurement processes are executed through the country system, supervision will be performed through the country's supervision system. The supervision method will be determined for each selection process based on the level of complexity of the specific process and the executing agency's capacity: (i) ex ante, (ii) ex post, or (iii) country system. The frequency of ex post reviews will be indicated in the project supervision plan, subject to changes during the course of execution.
☒	Records and files	All documentation relating to procurement processes will be duly recorded and available for review.

Main procurement items

Item description	Selection method	New procedures / tools	Estimated date	Estimated amount (US\$)
<b>Works</b>				
Design build operate contract for the recyclable waste sorting and recovery facility	ICB		07/03/2023	4,400,000
Works contract for the construction of other sanitary landfills	ICB		06/08/2026	8,000,000
Works contract for the construction of the leachate treatment and gas collection plant	ICB		02/26/2024	8,202,500
Design build operate contract for the biogas plant	ICB		07/03/2023	9,500,000



Item description	Selection method	New procedures / tools	Estimated date	Estimated amount (US\$)
<b>Firms</b>				
Consulting firm contract for technical assistance for training and incentives	Quality Cost Based Selection (QCBS)		03/07/2023	1,400,000
Consulting firm contract for technical assistance for preinvestment studies	QCBS		03/07/2023	1,500,000
Consulting firm contract for technical assistance and supervision of the Duquesa closure process	QCBS		03/07/2023	4,000,000
Consulting firm contract for technical assistance for the implementation of the new solid waste law	QCBS		03/07/2023	6,000,000

18-month procurement plan ([optional link 4](#)).

#### IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	Programming and Budget	The annual budget is prepared by the Ministry of Finance through its Budget Department, in coordination with the Ministry of Economy, Planning, and Development and other government agencies linked to the process. The executing agency will be responsible for project planning and managing the project budget. Planning tools will be used, including those of the Bank (project execution plan, annual work plan, procurement plan, and financial plan).
<input checked="" type="checkbox"/>	Treasury and disbursement management	<p>Project cash flow projections will be consistent with annual work plans and procurement plans that have received the Bank's no objection, and will cover a period of at least 12 months.</p> <p>The program will use a special U.S. dollar bank account in the name of the project in the Central Bank, managed through a subaccount in the National Treasury Single Account.</p> <p>Program transactions will be denominated in U.S. dollars.</p> <p>The exchange rate used in the operation will be the effective rate of exchange on the date of payment of each expenditure in local currency. Option (b)(ii) of Article 4.10 of the general loan agreement conditions will apply.</p>

		Disbursements will be made through advances and reimbursements of funds. The use of payments to third parties is not advised due to the risks this involves for cofinancing from AECID-FONPRODE. Advances of funds will be based on a 6-month financial plan; up to 12 months may be considered if required under the project. Documentation will be provided for 80% of the cumulative balance pending justification.
<input checked="" type="checkbox"/>	Accounting, information system, and report generation	<p>Accounting will follow International Public Sector Accounting Standards (IPSAS). Program accounts will be maintained on a cash basis using the module for execution units for externally-financed projects (UEPEX) in the country's integrated financial management system (SIGEF). All key project financial reports, including disbursement requests, will be directly generated using this system.</p> <p>The program Operating Regulations will supplement the policies and guidelines applicable to the operation, providing documentation of the roles, responsibilities, and internal controls stipulated.</p>
<input checked="" type="checkbox"/>	Internal control and audit	The Office of the Comptroller General of the Dominican Republic (CGRD) is responsible for the internal government audit function and is supported in this task by internal audit units in each of the country's public administrative entities.
<input checked="" type="checkbox"/>	External control and reports	<p>The borrower and/or executing agency will select and contract external audit services in accordance with the terms of reference previously agreed between the executing agency and the Bank. These will stipulate the type, timing, and scope of the audit review. Both the external auditor selected and the accounting standards used will be acceptable to the Bank. Audited program financial statements will be required, audited by a Bank-eligible firm. The type of audit and required level of auditor eligibility may be adjusted over the course of the project depending on the results of Bank supervision.</p> <p>The audited financial statements required under the program are as follows:</p> <ul style="list-style-type: none"> <li>▪ Annually: audited financial statements to be submitted to the Bank within 120 days after the end of each fiscal period (31 December).</li> <li>▪ Project completion: audited financial statements to be submitted to the Bank within 120 days after the date of final disbursement.</li> </ul>
<input checked="" type="checkbox"/>	Financial supervision of the operation	<p>Supervision will be carried out by means of annual financial audits.</p> <p>Regular onsite and desk reviews will be carried out (at least one per year), subject to adjustment during execution. Supervision will involve monitoring of the implementation of the recommended activities for improving the unit's capacities; the status of fiduciary arrangements; ex post reviews; inspection visits; and ongoing dialogue and communication with the executing agency.</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/22

Dominican Republic. Loan \_\_\_\_/OC-DR to the Dominican Republic  
Greater Santo Domingo Sustainable Comprehensive Solid  
Waste Management Program

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Dominican Republic, as Borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Greater Santo Domingo Sustainable Comprehensive Solid Waste Management Program. Such financing will be for the amount of up to US\$44,200,000 from the resources of the Bank's Ordinary Capital and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

2. That the President of the Bank, or such representative as he shall designate, is authorized to distribute the service fee received by the Bank among the relevant departments for which additional workload is generated by virtue of the Individual Financing Agreement with AECID-FONPRODE.

(Adopted on \_\_\_\_ 2022)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/22

Dominican Republic. Nonreimbursable Investment Financing \_\_\_\_/GR-DR  
to the Dominican Republic.  
Greater Santo Domingo Sustainable Comprehensive Solid  
Waste Management Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the IDB Grant Facility, hereinafter referred to as the "Account", to enter into such contract or contracts as may be necessary with the Dominican Republic, as beneficiary, for the purpose of granting it a nonreimbursable investment financing to cooperate in the execution of the Greater Santo Domingo Sustainable Comprehensive Solid Waste Management Program. Such nonreimbursable investment financing will be for an amount of up to US\$800,000, which form part of the Account, and will be subject to the Terms and Financial Conditions and the Special Contractual Conditions in the Project Summary of the Nonreimbursable Financing Proposal.

(Adopted on \_\_\_\_ 2022)