

Environmental and Social Data Sheet

Overview

Project Name:	POST-DISASTER AND CLIMATE CHANGE RESILIENCE FL
Project Number:	2017-0112
Country:	Dominican Republic
Project Description:	Framework Loan to finance a climate change resilient initiative, which will support the reconstruction of infrastructure damaged by flooding.
EIA required:	This is a multi-scheme Framework Loan operation. Some of the schemes may require an EIA.
Project included in Carbon Footprint Exercise:	no

Environmental and Social Assessment

Environmental Assessment

The proposed operation is a multi-sector Framework Loan financing a climate change resilience initiative that will support the reconstruction of infrastructure damaged by hurricane Matthew in October 2016 and by flash floods in November 2017. The main objectives of the Project are to re-establish livelihoods, reduce vulnerability and increase resilience to disaster risks and foster community cohesion in the provinces of Monte Cristi, Puerto Plata, Espaillat and Duarte. The Framework Loan operation objective is three-fold: (i) financing the reconstruction of infrastructure and housing which was destroyed during the natural disasters, (ii) helping the Promoter to rebuild in a more resilient way (“build back better”) and (iii) improving climate resilience of the Provinces. All investments require appropriate spatial planning.

The Project will include a substantial element of risk prevention of future natural disasters (floods, tropical storms, earthquakes), with a particular focus on infrastructure, including climate change resilient roads and bridges, hydraulic works, housing and urban infrastructure. The sub-projects will require the application of anti-seismic and resilience to climate change standards during the process of reconstruction. The interventions will be prioritised by their social impact and climate resilience effect.

The Promoter of the Project is the DIGECOOM (General Directorate of Multilateral Cooperation) which will be responsible for managing and monitoring the operation through the PIU. Executing agencies of the Project include the Ministry of Public Works and Communications (MOPC), the National Institute of Water Resources (INDRHI) and the main National Housing Institute (INVI). Provinces, municipalities and local communities will be the final beneficiaries of the sub-projects.

Luxembourg, 9th October 2018

The Promoter, final beneficiaries and executing agencies will be required to act according to the provisions of the relevant Dominican legislation and to comply with the EIB statement on environmental and social principles and the Environmental and Social Handbook¹.

The overall environmental impact of the FL is expected to be positive.

The Project schemes will be designed to reduce the negative environmental impacts that construction works may trigger in line with the applicable legislation and EU EIA Directive 2014/52/EU, amending 2011/92/EU.

The country applicable legal framework includes the Constitution (Art. 4, 14-17); Law 64-2000 on the Environment and Natural Resources.

According to the national legislation procedures, projects are classified as:

Category A – having severe adverse impact and requiring a full Environmental Impact Assessment and a management plan, as well as an environmental licence (*Licencia Ambiental*);

Category B – having limited adverse impact and requiring a management plan and an environmental permit (*Permiso Ambiental*) from the competent authority;

Category C – having negative impacts that are not severe and temporary, wherein the project proponent is required to identify and implement mitigation measures (*Constancia Ambiental*);

Category D – includes project with low environmental impact (*Certificado de impacto minimo*).

Art 36-38 regulate the requirements for public consultation related to the different project categories. Environmental authorizations are initially awarded for 5 years by the competent environmental authorities (Ministry of Environment and Natural Resources and committees)

The country is also signatory of international conventions regarding biodiversity, cultural heritage, climate change and the Kyoto Protocol.

The Project's PIU supported by Technical Assistance will be responsible for carrying out sub-projects environmental and social screening against national laws and EU EIA Directive and for obtaining the required environmental authorization.

Sub-projects having any impact on special protection areas will have to provide evidence of compliance with the EIB's Environmental and Social Standards with regard to biodiversity and Natural habitat. No EIB funds will be allocated prior to receipt and approval of this evidence by the EIB.

The Promoter will have to carry out, for relevant sub-projects or similar groups of sub-projects, a Climate Risk and Vulnerability Assessment, to identify the vulnerabilities to climate change and appropriate measures to mitigate those risks. Each relevant sub-project will then be required to include selected climate adaptation measures to improve its climate resilience.

Finally, for sub-projects requiring the preparation of a spatial plan, a strategic environmental assessment will be carried out.

¹<http://www.eib.org/infocentre/publications/all/environmental-and-social-practices-handbook.htm?lang=en>

Luxembourg, 9th October 2018

Social Assessment, where applicable

The Project is expected to have a positive social impact on the population severely affected by the hurricane in terms of livelihoods restoration and by reducing vulnerability and improving resilience to future natural disaster events.

In particular, the project-financed housing component will support the INVI and affected municipalities in their effort to replace the destroyed accommodation and resettle in more suitable locations affected population (especially the most vulnerable ones, including refugees) living in high-risk areas. The effort will include livelihood restoration plans, awareness raising and urban/spatial designs to prevent the subsequent occupation of unsafe locations.

This is part of the country's strategic approach incorporating disaster risk management (reducing risk factors) with response to emergencies. A Resettlement Policy Framework (RPF) and a Stakeholder Engagement Framework (SEF) are in the process of being prepared in order to orient and support the municipalities in the Project implementation, in line with local legal frameworks and the EIB standards. For the same purpose, a strategic Environmental Assessment (SEA) will be prepared with the support of a Technical Assistance

At the initial stage, each province will pilot a housing sub-project. For each of the four pilot projects the responsible municipality will prepare a resettlement plan and a stakeholder engagement plan (including a grievance mechanism), following the RPF and SEF.

The other sub-projects (reconstruction of bridges, roads and hydraulic works) may trigger temporary displacement during construction activities and in very few cases permanent physical or economic displacement of the population living in the proximities of the affected infrastructures. The Promoter will be responsible for the preparation of satisfactory documentation required under EIB standard 6 (including abbreviated resettlement action plans) in line with the RPF.

The Dominican Republic has ratified all core ILO labour standards. Moreover, the Borrower and local authorities have committed to abiding to the principles of equal treatment and non-discrimination in employment and at the workplace. Furthermore, in line with national legislation and international standards, the Project will seek to create equal access for men and women to employment opportunities and to set employment targets for female participation in the Project's labour force.

Concerning the contract works, the Promoter will include in the tender documents in use and in the subsequent agreements with selected contractors, requirements relative to the applicable national labour code, ILO standards and EU requirements. These should cover working conditions, occupational and community health and safety, and provision of a grievance mechanism for workers (including migrant workers).

Public Consultation and Stakeholder Engagement

The Promoter has been organising and coordinating several meetings with and between other central institutions (Emergency Operations Centre (COE), INVI, INDHRI, etc.), as well as with the provinces and municipalities targeted by the projects. Engagement with local authorities and population was necessary to collect information within the framework of the COE mandate for the identification of sub-projects.

Luxembourg, 9th October 2018

To capitalise on the work already carried out and enhance participation of the stakeholders involved at different levels, a Stakeholder Engagement Framework (and subsequent plans when required) will be prepared.

Public consultations as part of the Environmental and Social Impact Assessment (ESIA) process will be also carried out, as required. The Project's ESIA will be made available to the public on the Promoter's website.

Other Environmental and Social Aspects

The Promoter and the other main actors such as the Ministerio de Obras Publicas, have already experience in implementing projects with other IFIs. The appointed PIU and project beneficiaries (municipalities) will be supported by a Technical Assistance in the management and reporting on Environmental and Social related impacts.

Conclusions and Recommendations

Overall, the net environmental and social impact is expected to be positive. The Project will contribute to restore livelihoods, reduce vulnerability and improve resilience against natural disasters in the provinces of Monte Cristi, Puerto Plata, Espaillat and Duarte.

The institutional capacity of the Promoter - with the support of a TA - to manage the technical, social, and environmental issues is expected to be adequate. Therefore, subject to conditions mentioned below, the Project is acceptable to the Bank in environmental and social terms.

Conditions for first disbursement:

- A Resettlement Policy Framework (RPF) and a Stakeholder Engagement Framework (SEF) to be prepared and endorsed.

Undertakings:

- Implement and operate the Project in compliance with Environmental and Social Standards, and ILO core labour standards, in particular with the inclusion of provision (for contractors) for the respect of:
 - principles of equal treatment and non-discrimination in employment and at the workplace, and
 - equal access for men and women to employment opportunities
- Store and keep the relevant documents updated (including environmental studies related to the EIA, as well as Nature/Biodiversity Assessments, RAP, SEP) to be provided to the Bank upon request. In case the EIB requires such documentation, the Promoter shall provide all documents requested promptly as soon as the request from the Bank has been received.
- Adopt clear, transparent criteria for the attribution of housing agreed between relevant stakeholders and the EIB, with priority of access for the most vulnerable affected population.
- As part of each allocation request, the promoter will ensure that the following requirements are fulfilled:

Luxembourg, 9th October 2018

- A Resettlement Action Plan and Stakeholder Engagement Plans for each housing pilot sub-scheme or as needed to be prepared in line with RPF and SEF.
- A Strategic Environmental Assessment for foreseen spatial plans to be conducted.
- Required Environmental Approvals.
- For each relevant sub-project, an EIA or RAP in line with EIB environmental and social standards.
- The Promoter should provide the Bank with a copy (preferably in electronic format) of the Environmental Impact Study (EIS), including a Non-Technical Summary (NTS), or the Environmental and Social Management Plan, and/or RAP, or provide a website link to the location where the above mentioned information is published for at least 3 years, and will confirm that the Project incorporates all mitigating measures recommended as a result of the EIA process in order to ensure compliance with the EIB's Public Disclosure Policy.
- For sub-projects with a potential to affect a site of nature conservation importance that is protected under national or international legislation or agreements, the Promoter shall obtain a confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the sub-project does not have a significant negative impact on the site of nature conservation importance that is protected under national or international legislation or agreements.