

EDC PROJECT REVIEW SUMMARY

Guajimia Storm and Sanitary Sewer Project

Project Description	The Project will support the rehabilitation of the Guajimia storm and sanitary water sanitation system in the Municipality of Santo Domingo Oeste, within the urban area of the Santo Domingo Province of Dominican Republic (Project).
Project Sponsors	Aquaduct and Sewer Corporation of Santo Domingo/Dominican Republic Ministry of Finance
Country	Dominican Republic
Project Category	A
Canadian Exporter(s)	Canadian Commercial Corporation and Groupe Helios (Exporter)
Description of capital goods and/or services	Engineering, procurement, and construction management (EPCM)
EDC Product	Political Risk Insurance
Date of publication on EDC's website (dd/mm/yy)	04/10/2021
Date of Signing (dd/mm/yy)	13/12/2021

Project Categorization

The Project will support the rehabilitation of the Guajimia storm and sanitary water sanitation system in the Municipality of Santo Domingo Oeste, within the urban area of the Santo Domingo Province of Dominican Republic. The entire municipality is crossed by many gullies whose banks are densely inhabited. Residential housing, for the most part, do not have access to basic sanitation services. As a result of this situation, solid waste and sewage is discarded into the gullies, which are acting as open sewers. During the dry season, the accumulated waste causes considerable odour nuisance problems, while during the rainy season, it blocks the water flow causing eventual floods of unhealthy waters. To rectify this issue, Aquaduct and Sewer Corporation of Santo Domingo (CAASD) are proposing an integral drainage and sanitation project for the Guajimia gully and its main tributaries (Project). The Project will involve the removal of waste; civil infrastructure works; and the construction of necessary residential units to house families that will be relocated by the storm and sanitary drainage works. The Project was classified as Category A since it is large in scale and has the potential for significant adverse environmental and social impacts. Category definitions can be found [here](#).

Summary of EDC’s Review

EDC reviewed the Project in accordance with the Environmental and Social Review Directive (ESRD) and Equator Principles (EP4) and has determined that the Project has been designed in compliance with applicable host country environmental requirements, IFC Performance Standards and with the Equator Principles. To reach this conclusion, EDC reviewed Project Environmental and Social Impact Assessments, independent environmental and social due diligence reports and project management plans. A site visit was not completed by ESRM given the ongoing travel restrictions caused by Covid-19.

Summary of Key Environmental and Social Risks and Mitigants

EDC due diligence determined that the Project Sponsor and Exporter have demonstrated a strong capacity to manage their environmental and social risks and have suitably avoided and minimized impacts per the mitigation hierarchy. The following table summarizes key risks identified for the Project along with the most pertinent mitigations that were applied for each.

Key Risk	Key Mitigants
<p>Land Acquisition & Physical Displacement – The Project will require the acquisition of land and resettlement will be required and is unavoidable.</p>	<ul style="list-style-type: none"> • Project will implement a Resettlement Action Plan (RAP) in alignment with IFC Performance Standard 5. • The RAP, amongst other items, includes: roles and responsibilities; an inventory of affected individuals; a compensation framework; livelihood restoration; grievance mechanism; and monitoring.
<p>Community Health, Safety and Security – The Project will result in construction related risks that are typical with linear infrastructure projects such as traffic, worker influx, gender-based and security.</p>	<ul style="list-style-type: none"> • Fit for purpose occupational health and safety (OHS) and Influx Management Plan management plans and technical oversight to manage construction. • Implement procedures for responding and investigating allegations of sexual harassment and gender-based violence, as well as training of employees and contractors of same. • Implement security operational plans in alignment with international best practices.
<p>Solid and Liquid Waste Management: Removal of solid waste from gullies and related potential for water quality impacts.</p>	<ul style="list-style-type: none"> • Implement a Waste Management Plan in alignment with international standards. • Workforce Management Plan (WMP) will integrate with Project OHS and emergency response plans, and include items related to monitoring, and hazardous waste.
<p>Labour and Working Conditions: Employment of approximately 500 employees in construction, management, engineer and heavy equipment and general labour roles.</p>	<ul style="list-style-type: none"> • Exporter will be responsible for labour management and working conditions and will implemented several plans and policy in alignment with international standards. This will include items such as workers grievance system and management controls around

	<p>third-party workers, forced labour, training and non-discrimination and harassment.</p> <ul style="list-style-type: none"> • An OHS and Health and Safety Plan will be implemented which will include management controls related to worker safety, Covid-19, roles and responsibilities, training and monitoring.
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Documentation Reviewed:

The following is an illustrative list of key documentation that was reviewed as part of the current confirmation of the ESRD.

1. Arcadis Environmental and Social Due Diligence Report for the Execution of the Guajimia Project in the Dominican Republic (November 2021)
2. Storm and Sanitary Drainage of the Guajimia Canal Phase II Project – Update of the ESIA and RAP (September 2021)
3. Resettlement Action Plan (September 2021)
4. Conference calls with key parties
5. Virtual site visit session, September 2021
6. Track record searches of the Exporter and Project Sponsor

Applicable International Finance Corporation (IFC) Environmental and Social Standards used by EDC (in addition to host country requirements):

- Performance Standard 1: Social and Environmental and Management Systems
- Performance Standard 2: Labour and Working Conditions
- Performance Standard 3: Pollution Prevention and Abatement
- Performance Standard 4: Community Health, Safety and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management of Living Natural Resources
- Performance Standard 8: Cultural Heritage EDC has considered the relevant aspects of the World Bank General EHS Guidelines, the EDC Guidelines for Wind Energy, and the EHS Guidelines for Electric Power Transmission and Distribution.