



FACTSHEET

NATURE, PEOPLE AND CLIMATE (NPC) INVESTMENT PLAN FOR THE DOMINICAN REPUBLIC

BACKGROUND

Deploying the power of nature is essential to addressing climate change, with natural ecosystems sequestering around 30% of man-made emissions. Rural peoples' resilience to the effects of climate change can also be strengthened when the vital services that nature provides are maintained and bolstered.

CIF's \$370 million Nature, People, and Climate investment program supports the development of Nature-based Solutions to climate change in low- and middle-income countries, ranging from small island states to highly vulnerable sub-Saharan African nations and large Latin American countries. The program funds initiatives that recognize the interdependence among land use, climate change, and the livelihoods of rural communities and Indigenous peoples.

By bridging the gap between mitigation and adaptation funding, CIF's programmatic approach incentivizes countries to manage these complex relationships and understand the trade-offs between

them, contributing to lasting change. It will target additional benefits, such as improved biodiversity and livelihoods.

A unique feature is the programs' Dedicated Grant Mechanism (DGM), a direct financing window for Indigenous Peoples and local communities. The DGM empowers these local people to contribute their traditional knowledge to climate solutions, and provides these communities the autonomy to decide what and who they want to fund, and where.

These strategies build on CIF's experience funding Nature-based Solutions in developing countries since 2008, with almost \$2 billion invested in natural systems through the Forest Investment Program, the Dedicated Grant Mechanism, and the Pilot Program for Climate Resilience.

CIF NPC partners with Africa's Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania), Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda and Zambia to generate Nature-based Solutions as a contribution to achieving global climate goals.



THE CHALLENGE

The Dominican Republic is a Caribbean small island developing state and faces extreme weather conditions like droughts, torrential rains leading to floods, and tropical cyclones. These events have economic consequences. Between 1961 and 2014, the estimated cost of hydrometeorological damages stands at 0.69% of GDP per year.

The Yuna Watershed, around which the NPC Investment Plan (IP) is centered, plays a critical role for the Dominican Republic, both in terms of conserving the environment and providing essential ecosystem services. Be it agriculture, livestock, hydroelectric generation or tourism – the region plays a crucial role for the country.

Some of the primary challenges the Dominican Republic is facing are:

- The vicious circle of extreme weather and degradation of ecosystem services (deforestation, soil degradation, sedimentation, water pollution) furthers poverty as local communities are heavily reliant on natural resources. The unsustainable exploitation of nature aggravate the problem.
- Lack of or outdated management plans and other strategic instruments to strengthen the management of protected areas associated with the Yuna Watershed.
- Frequency and intensity of droughts and floods is increasing.
- 30.5% of the population in the Yuna watershed lives in poverty, higher than the national average.
- Local communities lack opportunities or economic resources to take on ventures.
- Gap in participation of the female population in sectors like agriculture and fishing, with women putting in longer unpaid hours.

CIF'S NPC DOMINICAN REPUBLIC INVESTMENT PLAN HIGHLIGHTS

To address the most crucial aspects of the challenges faced, the Dominican Republic has formulated the NPC IP (\$30 million) with a core focus on contributing to poverty and resilience to climate change in the Yuna River Watershed. It follows a “Ridge to Reef” approach and aims to foster a low-carbon and resilient economy.

The primary focal points of the IP are:

- **Interventions in the institutional and regulatory capacity:** Through this component, the IP will enable strengthening the regulatory framework and institutional capacities. It will provide funding to update strategic instruments for environmental conservation, management of watershed resources, strategic development of nature-positive initiatives in ecotourism, blue economy and payment for environmental services, and training of personnel.
- **Ecosystem restoration and conservation:** Under this component, the IP funding will strengthen the planning and implementation of projects involving nature-based solutions. The objective is to make ecosystems more resilient, promote biodiversity and improve water quality.
- **Nature-positive economic diversification:** Partnering with local communities is a crucial aspect of the IP, for example through training on entrepreneurial skills. Ecotourism projects will promote women’s leadership.

FUTURE IMPACT

With nature-based solutions being the primary focus to address the challenges, the IP developed by the Dominican Republic aims to promote resilient low-carbon management of the Yuna Watershed region. Some of the immediate actions that the IP will address are:

- Ecotourism and blue economy programs developed in the priority areas of the watershed region.

- Empowering vulnerable groups, especially women, to manage their own economic projects and reduce dependence on vulnerable activities.
- Supporting community-based climate resilience and livelihoods through nature-positive economic diversification.

The NPC IP will improve ecosystem services but also enhance opportunities for local communities, reducing their dependency on economic activities vulnerable to climate change.



THE CLIMATE INVESTMENT FUNDS

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