

# Potential Investment Projects Dominican Republic



<b>Client</b>	AFD
<b>Version</b>	01
<b>Date</b>	28/04/2021
<b>Author</b>	Andres Chaves, Verena Arauz, and Susana Ricaurte
<b>Revision</b>	Jürg Grütter and Daniel Wunderlin
<b>Contact</b>	Rte. des Esserts 92, 1854 Leysin, Switzerland <a href="mailto:jgruetter@transport-ghg.com">jgruetter@transport-ghg.com</a> , <a href="http://www.transport-ghg.com">www.transport-ghg.com</a>

## 1 Introduction

This report contains the summary of the potential investment projects identified through the interviews conducted in Dominican Republic. A total of 9 potential investment projects were identified of which are 3 for urban buses, 3 for taxis and 3 for Light Commercial Vehicle (LCV). The interviews were conducted in December-February. Up to this date the financing conditions of the program were unknown. This was one of the biggest barriers to withdraw information from the potential project-owners. Further, most of the projects were still ideas, since no attractive financing has been made available. No project with a pre-feasibility study could be identified up to that date.

It is important to mention that all projects must be technically, financially, economically, environmentally, socially, gender and legally structured. The structuring of each project will contribute to an adequate allocation of risks and bankability, as well as to the deployment of innovative business models.

## 2 Urban Buses

<b>ID</b>	1
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Oficina Metropolitana de Servicio de Autobuses -OMSA (Metropolitan Bus Service Office). Public.
<b>Degree of maturity</b>	A project idea without any assistance so far.
<b>Potential set-up</b>	Public bidding for the acquisition of the fleet with public resources.
<b>Name of Project</b>	Urban Public Passenger Transportation: Public Operator in Santo Domingo.
<b>General summary of the project</b>	Renewal of around 150 buses of its fleet, 25% articulated and 75% buses (13 meters).
<b>Timeline</b>	Year 2023: 38 articulated electric buses. 112 electric buses (13 meters).
<b>Barriers identified</b>	<ul style="list-style-type: none"><li>- Electric charging points for buses on all routes.</li><li>- High performance and durability batteries.</li><li>- Training and technical assistance to learn about the performance of the technology.</li><li>- Investment costs are higher for electric versus diesel technology.</li><li>- Financing resources depend on the Presidency of the Dominican Republic, since resources are allocated annually in the Annual Operational Plan.</li></ul>
<b>Included in Funding Proposal</b>	Yes. Included for the medium term (2024-2026).

<b>ID</b>	2
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Central Nacional de Transportistas Unificados - CNTU (National Center of Unified Transporters). Private
<b>Degree of maturity</b>	A project idea which depends on the new routes INTRANT will structure in the short term.
<b>Potential set-up</b>	Through loans with private banks and private equity.
<b>Name of Project</b>	Urban Public Passenger Transportation: Affiliated private operators (small owners)
<b>General summary of the project</b>	CNTU affiliates are interested in renewing the diesel fleet to electric fleet. A total of 3,750 electric buses (9 - 12 meters).
<b>Timeline</b>	3,750 electric buses (9-12 meters): 2022: 750 units 2023: 750 units 2024: 750 units 2025: 750 units 2026: 750 units
<b>Barriers identified</b>	<ul style="list-style-type: none"> <li>- There are few lines of credit for electric vehicles and with uncompetitive interest rates.</li> <li>- Electric recharging infrastructure is limited.</li> <li>- No training and technical assistance in electric technologies for small owners.</li> <li>- Law 103-13 establishes that electric vehicles only pay 50% of import taxes. However, the General Directorate of Internal Taxes (DGII) does not recognize this tax exception which is a disincentive for electric mobility.</li> </ul>
<b>Included in Funding Proposal</b>	no

<b>ID</b>	3
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Instituto Nacional de Tránsito y Transporte Terrestre - INTRANT (National Institute of Transit and Land Transportation). Public
<b>Degree of maturity</b>	<p>The National Strategic Plan for Electric Mobility establishes as a goal "<i>30% participation of electric buses in public transportation fleets by 2030</i>". INTRANT is in the process of structuring urban transportation corridors and projections of the number of electric buses.</p> <p>This target is supported by the Urban Mobility Plan for the Greater Santo Domingo. Some bus corridors have already been established and are operating with new diesel buses. The next corridors are seen as a window to implement the first electric public buses in the city. However, no financing mechanism has been established.</p>
<b>Potential set-up</b>	Public Private Partnership with FIMOVIT funding.
<b>Name of Project</b>	Urban Public Transport of Passengers
<b>General summary of the project</b>	The National Strategic Plan for Electric Mobility establishes as a goal "30% participation of electric buses in public transportation fleets" by 2030. INTRANT is in the process of structuring urban transportation corridors and projections of the number of electric buses.
<b>Timeline</b>	No projections. INTRANT is in the process of preparing projections for the renewal of the electric fleet.
<b>Barriers identified</b>	<p>The identified barriers have been documented within the National Electric Mobility Strategic Plan, some of them are:</p> <ul style="list-style-type: none"> <li>- Lack of guidelines for electric charging infrastructure.</li> <li>- Electricity tariffs that allow recovering infrastructure investments.</li> <li>- Application of incentives included in Law 103-13 by the General Directorate of Internal Taxes (DGII).</li> <li>- Import times are longer for electric vehicles than for fossil fuel vehicles.</li> <li>- No institutional and professional capacity for diagnosis, maintenance and repair of electric vehicles and electric recharging infrastructure.</li> </ul>
<b>Included in Funding Proposal</b>	No


### 3 Taxis

<b>ID</b>	4
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	APOLO Taxi. Private.
<b>Degree of maturity</b>	Apolo has an annual fleet renewal plan, and has made the decision to renew its fleet with electric taxis. The company is in search of financing resources at low rates. There is no pre-feasibility study available to back up the decision. Their main reason to invest in EVs is to show a will to innovate with new technologies and reduce their carbon footprint.
<b>Potential set-up</b>	Financing with local banks at a preferential interest rate and private equity.
<b>Name of Project</b>	Taxis: Renewal of taxi fleet
<b>General summary of the project</b>	Fleet renewal with electric taxis. A total of 160-200 electric taxis.
<b>Timeline</b>	A total of 160 - 200 electric taxis: 2022: 40-50 electric taxis. 2023: 40-50 electric taxis. 2024: 40-50 electric taxis. 2025: 40-50 electric taxis.
<b>Barriers identified</b>	<ul style="list-style-type: none"> <li>- Lack of electric charging infrastructure throughout Greater Santo Domingo.</li> <li>- The costs of electric vehicles are very high compared to gasoline vehicles.</li> <li>- Lack of regulation regarding the creation of a taxi registry in the country and regulation on fares.</li> </ul>
<b>Included in Funding Proposal</b>	Yes. Included for the medium term (2024-2026).


<b>ID</b>	5
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Zero Emission RD. Private.
<b>Degree of maturity</b>	The project is part of the company's expansion plan. They have estimated investment needs. In search of financing resources at low rates.
<b>Potential set-up</b>	Financing with local banks at a preferential interest rate and private equity.
<b>Name of Project</b>	Taxis: Expansion of the fleet to provide Uber services.
<b>General summary of the project</b>	The Company has a fleet of 20 electric vehicles operating with Uber and plans to increase its fleet to 100 electric vehicles. A total of 80 electric vehicles.
<b>Timeline</b>	80 electric taxis by 2022-2023
<b>Barriers identified</b>	<ul style="list-style-type: none"> <li>- No financial resources to increase the fleet to 100 electric vehicles.</li> <li>- Lack of regulation in the sector.</li> <li>- Law 103-13 establishes that electric vehicles only pay 50% of import taxes. However, the General Directorate of Internal Taxes (DGII) does not recognize this tax exception which is a disincentive for electric mobility.</li> </ul>
<b>Included in Funding Proposal</b>	Yes. Included for the medium term (2024-2026).

<b>ID</b>	6
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Central Nacional de Transportistas Unificados - CNTU (National Center of Unified Transporters). Private.
<b>Degree of maturity</b>	There is interest in acquiring electric taxis; however, it is only a possible idea.
<b>Potential set-up</b>	Financing with local banks at a preferential interest rate and private equity.
<b>Name of Project</b>	Renewal of taxi fleet: affiliated private operators (small owners)
<b>General summary of the project</b>	CNTU affiliates are interested in renewing the gasoline fleet to electric fleet. A total of 21,250 electric taxis.
<b>Timeline</b>	21,250 electric taxis: Year 2022: 4,250 units Year 2023: 4,250 units Year 2024: 4,250 units Year 2025: 4,250 units Year 2026: 4,250 units
<b>Barriers identified</b>	<ul style="list-style-type: none"> <li>- There are few lines of credit for electric vehicles and with uncompetitive interest rates.</li> <li>- Electric recharging infrastructure is limited.</li> <li>- No training and technical assistance in electric technologies for small owners.</li> <li>- Law 103-13 establishes that electric vehicles only pay 50% of import taxes. However, the General Directorate of Internal Taxes (DGII) does not recognize this tax exception which is a disincentive for electric mobility.</li> </ul>
<b>Included in Funding Proposal</b>	No

## 4 LCV

<b>ID</b>	7
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	Energy Consulting and Solutions, ENCOS, SRL. Private.
<b>Degree of maturity</b>	According to the company the pre-feasibility study was performed. Pre-feasibility realized with benchmark projects on other countries.
<b>Potential set-up</b>	Private Investment or Leasing.
<b>Name of Project</b>	Light Commercial Vehicles - Santo Domingo
<b>General summary of the project</b>	<p>The Base Camp Project for Santa Domingo: Fleet of electric vehicles for urban logistics services through a vehicle sharing mobile application (App, smartphone application). Four Base Camp and 160 -200 electric LCVs are planned.</p>  <p>Source: Cucama &amp; PEM Motion, 2020.</p> <p>Base Camp will provide electric light commercial vehicles, electric charging infrastructure, parking spaces and fleet maintenance for service and logistics providers.</p>
<b>Timeline</b>	<p>A total of 4 Base Camp and 160 - 200 light commercial vehicles (LCVs):</p> <p>Year 2022: 1 Base Camp and 40 - 50 electric vehicles.</p> <p>Year 2023: 1 Base Camp and 40 - 50 electric vehicles.</p> <p>Year 2024: 2 Base Camp and 80 - 100 electric vehicles.</p>
<b>Barriers identified</b>	<ul style="list-style-type: none"> <li>- High vehicle import taxes.</li> <li>- High financing rates.</li> <li>- Getting clients to develop the project.</li> </ul>
<b>Included in Funding Proposal</b>	No



<b>ID</b>	8
<b>City</b>	Santiago
<b>Project owner (private or public)</b>	Energy Consulting and Solutions, ENCOS, SRL. Private.
<b>Degree of maturity</b>	According to the company the pre-feasibility study was performed. Pre-feasibility realized with benchmark projects on other countries.
<b>Potential set-up</b>	Private Investment or Leasing.
<b>Name of Project</b>	Light Commercial Vehicles - Santiago
<b>General summary of the project</b>	<p>The Base Camp Project for Santiago: Fleet of electric vehicles for urban logistics services through a vehicle sharing mobile application (App, smartphone application). Four Base Camp and 80-100 electric LCVs are planned.</p>  <p>Source: Cucama &amp; PEM Motion, 2020.</p> <p>Base Camp will provide electric light commercial vehicles, electric charging infrastructure, parking spaces and fleet maintenance for service and logistics providers.</p>
<b>Timeline</b>	<p>A total of 4 Base Camps and 80 - 100 light commercial vehicles (LCVs):</p> <p>Year 2023: 1 Base Camp and 20 - 25 electric vehicles.</p> <p>Year 2024: 1 Base Camp and 20 - 25 electric vehicles.</p> <p>Year 2025: 2 Base Camp and 40 - 50 electric vehicles.</p>
<b>Barriers identified</b>	Same as ID 7
<b>Included in Funding Proposal</b>	No

<b>ID</b>	9
<b>City</b>	Santo Domingo
<b>Project owner (private or public)</b>	DHL. Private.
<b>Degree of maturity</b>	DHL Global policy to gradually electrify their fleet worldwide.
<b>Potential set-up</b>	Financing with local banks at a preferential interest rate and private equity.
<b>Name of Project</b>	Light commercial vehicles (LCV)
<b>General summary of the project</b>	Renewal of 25-30% of the fleet per year per DHL Global policy. Acquire 5-7 light commercial vehicles (LCVs) from 2021 to 2025 (to renew 100% of the fleet, 30 units).
<b>Timeline</b>	Total 30 electric units (LCV): 2021: 6 electric units. 2022: 6 electric units. 2023: 6 electric units. 2024: 6 electric units. 2025: 6 electric units.
<b>Barriers identified</b>	- DHL has not found a company in the market that guarantees them the minimum maintenance for the first 3 years or the first 100,000 kilometers of use for electric vehicles (LCV). - Financing program for electric vehicles.
<b>Included in Funding Proposal</b>	No