

FD-FF-1-865 82
SP-36010

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

DOMINICAN REPUBLIC

PROJECT PAPER

AGRICULTURAL POLICY ANALYSIS

AID/LAC/P-188

Project Number:517-0156

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY
 DOMINICAN REPUBLIC

3. PROJECT NUMBER

517-0156

4. BUREAU/OFFICE
 Latin America and
 the Caribbean

5. PROJECT TITLE (maximum 40 characters)

AGRICULTURAL POLICY ANALYSIS

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 110 311 87

7. ESTIMATED DATE OF OBLIGATION
 (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 84 B. Quarter 4 C. Final FY 84

8. COSTS (\$500 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(260)	()	(260)	(500)	()	(500)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Host Country		635	635		1,950	1,950
2. Other Donor(s)						
TOTALS	260	635	895	500	1,950	2,450

9. SCHEDULE OF AID FUNDING (\$500)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) F.	180-B	052				500		500	
(2)									
(3)									
(4)									
TOTALS						500		500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

053 056

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code
 B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To develop an operational mechanism for formulating sound and coherent agricultural sector policies.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 0 4 8 6 1 0 8 7

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENT/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

Approval of Methods of Implementation/Financing: Gerald Hensley, Act. Cont.

17. APPROVED BY

Signature

Title

Philip R. Schwab
 Director

Date Signed

MM DD YY
 07 27 84

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

(a) An opinion of the legal advisor to the Grantee that this agreement has been duly authorized and executed on behalf of the cooperating country, and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all its terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2 and of any additional representatives, together with a specimen signature of each person specified in each statement;

(c) Evidence that (1) the Agriculture Policy Analysis Committee (CAPA) and the Agricultural Studies Unit (UEA) have been established within CNA and (2) a formal, agreed relationship exists between the CAPA and UEA, acceptable to CNA, conducive to carrying out and achieving the purpose of the Project;

(d) The name of the Grantee's project coordinator together with evidence that the coordinator will be able to contribute adequate time for the successful implementation of the project;

(e) Evidence that CNA will furnish the necessary staff and logistic support to carry out the Project.

(ii) Conducting Studies: Prior to any disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for conducting studies, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) A time phased implementation plan which describes, to the maximum extent possible, the studies anticipated to be carried out during the Project;

(b) Evidence of the assignment of adequate staff in CAPA and UEA to manage, support and monitor the study activities;

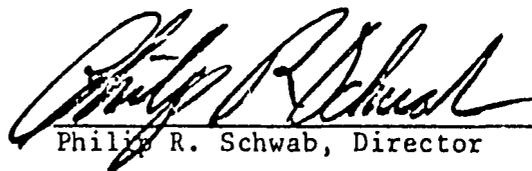
(c) Evidence of establishment of selection criteria and a procurement mechanism and procedures acceptable to A.I.D., for the selection of specific study topics and the selection of consultants to carry out the studies;

(iii) Training: Prior to any disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursements will be made for training activities, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a detailed training plan endorsed by the CAPA outlining the activities planned for training.

c. Covenants:

(i) Composition of CAPA: Except as A.I.D. may otherwise agree in writing, the CAPA, during the term of the Project, will be comprised of seven members, all drawn from the CNA. Three members will be from the public sector, including the Technical Secretary of the Presidency or his designated representative, the Secretary of Agriculture or his designated representative, and the Dean of Agriculture from the Autonomous University (UASD), and four from the private sector, at least two of whom will represent the private university community (UCMM and UNPHU).

(ii) Public Record: The Grantee shall treat materials produced as a result of the project activity as a matter of public record and take the appropriate steps to place all such materials in the public domain.



Philip R. Schwab, Director

7/27/84
Date

/

AGRICULTURAL POLICY ANALYSIS PROJECT
PROJECT NO. 517-0156
DOMINICAN REPUBLIC

TABLE OF CONTENTS

	<u>Page</u>
I SUMMARY, RECOMMENDATION AND PROJECT OVERVIEW	1
A. Recommendation	1
B. Grantee and Implementing Agency.....	1
C. Summary Project Description.....	1
II. BACKGROUND	1
A. General Country Setting	1
B. Agricultural Setting and Policy-Making Overview	3
1. Agricultural Setting	3
2. Policy-Making Overview	4
a. Past Attempts to Improve Policy-Making in the Agriculture Sector	4
b. The Policy-Making Resource Base	4
c. Recent Developments in Policy-Making	5
d. Impact of Current Policy-Making Environment ..	6
C. Statement of the Problem	7
D. Constraints	8
1. Lack of Institutional Capability	8
2. Partisan Politics	8
3. Limited Technical Capacity	8
4. Policy Focus	8
5. Little Monitoring and Evaluation	8
6. Poor Linkages with the Private Sector	9
7. Institutional Fragmentation	9
III. DETAILED PROJECT DESCRIPTION	9
A. Basic Problem	9
B. Project Concept	10

	<u>Page</u>
C. Project Objectives	10
D. Project Activities	11
1. Setting Up the Institutional Framework	11
a. The Agricultural Policy Analysis Committee ..	11
- Figure 1: Proposed Organizational	
Structures.....	12
b. The Agricultural Studies Unit	13
c. The Independent Advisory Pool.....	14
2. Research Study Activities	15
a. Types of Studies.....	15
b. Criteria for Selecting Issues for Studies....	15
c. Contracting of Studies	17
3. Strengthening the Operational Mechanism	18
a. Long-Term Technical Assistance	18
b. Data Organization	18
c. Public Information Activities	19
4. Training Activities.....	19
E. Financial Plan	22
1. The Budget.....	22
a. AID.....	22
b. GODR.....	23
2. Recurrent Costs.....	24
3. Methods of Implementation and Financing.....	25
-Table 1: Summary Financial Plan.....	26
-Table 2: Projection of Expenditures by Fiscal	
Year.....	27
IV. PROJECT ANALYSIS	28
A. Institutional Analysis	28
1. Introduction	28
2. Summary Discussion.....	28
B. Social Soundness Analysis	29

	<u>Page</u>
1. Introduction	29
2. Summary Discussion	29
3. Socio-Cultural Feasibility	30
4. Spread Effects	31
5. Social Consequences and Benefit Incidences	31
C. Economic Analysis	32
D. Technical Analysis	34
1. Introduction	34
2. Summary Discussion	34
a. Project Design	34
V. IMPLEMENTATION ARRANGEMENTS	36
A. GODR Administrative Arrangements	36
B. USAID Implementation Arrangements	36
C. Implementation Plan and Implementation Tasks	36
D. Procurement Procedures	38
E. Conditions, Covenants and Negotiating Status	39
F. Covenants	40
G. Project Evaluation	40

ANNEXES:

- A. Logical Framework
- B. PID Approval Cable
- C. GODR Letter of Request
- D. Technicians Scope of Work
- E. Statutory Checklist
- F. Environmental Threshold Revision
- G. 611(e) Certification
- H. Studies Listing
- I. Institutions, Firms and Individuals Listing
- J. Office Equipment Listing
- K. Consultant's Reports (on file in USAID/CRD)

PROJECT DESIGN AND DEVELOPMENT PERSONNELUSAID/DR Mission

- Marion H. Ford, ARDO
- Roberto Castro, ARD
- Stephen Miller, ARD
- Larry Armstrong, CRDO
- Timothy Hammann, CRD
- Victor R. Viñas, CRD
- John Chang, OPE
- Henry Welhouse, OPE
- Steven Liapis, CONT

AID/W - LAC/DR/RD and S&T/AGR Assistance

- Gene Miller, LAC/DR/RD*
- Marshall Godwin, S&T/AGR
- David Hansen, S&T/AGR

Short-Term, TDY Assistance

- James Riordan, Abt Associates
- John Strasma, Abt Associates

GOADR and Private Sector Persons Consulted

- Mariano Alcántara, Director, ONAPLAN
- David Alvarado, Asistente al Sub-Secretario de Planificación, SEAPLAN
- José Luis Aleman, S.J., UCAMAYMA
- Carlos Aquino, Fundación de Juventud Rural (FUNDEJUR)
- Julian Aquino, J. M. Cabral & Baez, Consultoría Económica
- Andrés Avelino Manzueta, Vice-Presidente, Consultores del Caribe
- Pedro Betrón, Senador (PR)
- Bienvenido Brito, Controlador General
- Marino A. Chanlatte, Director, Departamento de Coordinación de Programas y Recursos Externos, SEA, and Profesor, UCAMAYMA
- Luis Crouch, Industrias Asociadas, C. por A. (INASCA)
- Carlos Escobar, ISA/CADER
- Fernando Ferrán, INTEC (Also editor, Ciencia y Sociedad)
- Manuel De Ovin Filpo, Director General, IAD (and CNA member)
- Margarita Gil, Departamento Legal, IAD
- José Manuel Gómez, SERCITEC, Ingenieros Consultores
- José Herrero, UCAMAYMA (Santo Domingo)

* Team Leader of AID/W and short-term TDY assistance.

- Eligio Jáquez, Diputado (PRD) y Presidente del Comité de Agricultura, Cámara de Diputados
- Teonilde López, Asistente al Secretario Ejecutivo, CNA
- José Enrique Lois Malkum, Secretario Ejecutivo del CNA, y Sub-Secretario Técnico de Planificación, SEA
- Felix M. Marmolejos, Sub-Secretario Administrativo de la Presidencia
- Domingo Marte, Secretario de Estado de Agricultura
- Frank Moya Pons, Fundación para Avance de las Ciencias Sociales
- Danilo A. Mueses, SERCITEC, Ing. Consultores
- Joaquín Nolasco, FUNDEJUR
- Juan Núñez, Fundación de Juventud Rural (FUNDEJUR)
- Rubén Núñez, INASCA
- Juan Ovando, Encargado, Division de Capacitación, IAD
- Danilo Ramirez, J. M. Cabral & Baez, Divn. de Consultoría Económica
- Pablo Rodríguez, Director, Departamento de Estudios Económicos, CEDOPEX y Director, Carrera de Economía, INTEC
- Rafael Damares Toribio, Rector, INTEC
- Various Professors, ISA/CADER
- Jaime A. Viñas Román, Rector, UNPHU
- Eduardo J. Winter, Winter & Asociados, CxA

GUIDE TO ACRONYMS

BID	:	Banco Interamericano de Desarrollo (Interamerican Development Bank)
CAPA	:	Comité de Análisis de Políticas Agrícolas (Agricultural Policy Analysis Committee)
CNA	:	Consejo Nacional de Agricultura (National Agriculture Council)
FAO	:	Food & Agriculture Organization of the United Nations
GODR	:	Gobierno de la República Dominicana (Government of the Dominican Republic)
IAD	:	Instituto Agrario Dominicano (Dominican Agrarian Reform Institute)
IDECOOP	:	Instituto de Desarrollo de Cooperativas (Cooperative Development Institute)
INESPRES	:	Instituto de Estabilización de Precios (Price Stabilization Institute)
INTEC	:	Instituto Tecnológico de Santo Domingo
ODC	:	Oficina de Desarrollo de la Comunidad (Community Development Office)
ONAPLAN	:	Oficina Nacional de Planificación (National Planning Office)
PR	:	Partido Reformista
PRD	:	Partido Revolucionario Dominicano
SEA	:	Secretaría de Estado de Agricultura (Secretariat of State for Agriculture)
SEAPLAN	:	Subsecretaría de Estado de Planificación Agrícola (Subsecretariat of State for Agr. Sector Planning)

STP	:	Secretariado Técnico de la Presidencia (Technical Secretariat of the Presidency)
UASD	:	Universidad Autónoma de Santo Domingo
UCAMAYMA	:	Universidad Católica Madre y Maestra
UEA	:	Unidad de Estudios Agropecuarios (Agricultural Studies Unit)
UNPHU	:	Universidad Nacional Pedro Henríquez Ureña

1

I. SUMMARY AND RECOMMENDATION

A. Recommendation

USAID/DR recommends that a grant in the amount of \$500,000 be authorized to the Government of the Dominican Republic to support the project herein described.

B. Grantee and Implementing Agency

The Grantee will be the Government of the Dominican Republic (GODR). The implementing agency will be the GODR National Agriculture Council (CNA).

C. Summary Project Description

The GODR recognizes the urgent need to improve existing policies in order to revitalize the agriculture sector. Recently, it has taken some important steps toward developing agriculture policies to meet this objective. Nonetheless, the GODR still lacks reliable data and analysis needed to make intelligent and timely policy reform decisions. The proposed project responds directly to the need for reliable, unbiased, timely information.

The goal of the Agricultural Policy Analysis Project is to increase agricultural production, raise farmers' income, satisfy consumer demand, and promote exports. The project purpose is to formulate sound, coherent agricultural sector policies.

The three year \$2.45 million project (\$500,000 AID Grant; \$1.95 million GODR counterpart) proposes to maximize the use of local private expertise and provide CNA with practical, high quality, issue specific policy studies. These studies will respond directly to CNA's expressed information needs and will be quick turn around and short-term in nature. The project will strengthen the administrative capability of the CNA to enable it to effectively obtain and then utilize information with which it can formulate policy in a timely fashion.

II. BACKGROUND

A. General Country Setting

The Dominican Republic confronts, at the present time, the worst economic crisis in its recent history. The Gross Domestic Product (GDP) has grown little, if any, during 1982-1983 and the prospects for 1984 are un auspicious. This stagnation in GDP growth was caused by several factors, the most important being the precipitous drop in 1982 of

the world prices of Dominican export commodities and the steep petroleum import price increase in 1978. In addition, high interest rates in the world financial market made foreign credits more scarce and expensive. Furthermore, the GODR economic policy, particularly the foreign exchange policy in dealing with the over-valued Dominican peso, has exacerbated the situation.

As a result a severe foreign exchange shortage has developed. Beginning in 1978, the Dominican Republic's overall balance of payments has suffered successive yearly and increasing deficits. For example, during 1978-1982, the overall balance of payments deficit was \$768 as compared with a surplus of \$42 million during 1973-1977. The overall balance of payments deficit reached \$850 million by the end of 1983. Consequently, external debt rose to about \$2.5 billion of which about 43% is short-term, high cost, commercial bank loans. Even with the rescheduling of the commercial bank debt (over 5 years) along with a two year grace period (1983-1984), the debt service ratio increased in 1983 to about 26% of GDP from the relatively moderate level of 11% in 1980. The D.R.'s credit-worthiness in the world financial market has declined appreciably. Because of the continued over-valuation of the peso, the parallel market exchange rate began to rise rapidly in late 1983, reached the peak of 250% above the official exchange rate in February 1984, and appears to have stabilized at about 175% premium in June 1984. Consumer prices rose rapidly by 40% - 50% on average with a comparable reduction in real income. Aggregate consumption, investment and imports have adjusted downward with the GDP growth prospect stunted for the remainder of 1984.

The public sector fiscal performance has also been dismal. Public sector savings deteriorated sharply from 1.5% of GDP in 1980 to 0.5% in 1981 and then to a negative 3.3% in 1982. Although some improvements were made in 1983, the level of public sector savings continued to be negative. The adverse fiscal trend was a consequence of several factors. Public sector wages and employment grew sharply during 1978-1980 and, as a result, central government current expenditures grew by 25% per annum during this period. On the revenue side, receipts barely kept pace with inflation. Current revenues as a percent of GDP declined mainly due to import growth related to increased petroleum prices and increased food imports that were largely tax exempt. Public sector current revenues which averaged 17.6% of GDP in 1976-1977, dropped to 13.6% of GDP in 1978-1981, and declined further to an estimated 9.4% of GDP in 1982.

The Jorge Blanco administration, which took office in August 1982, was immediately confronted with a difficult task: to design and implement measures to alleviate the pressing fiscal and balance of payment problems. It took immediate emergency measures to reduce

imports, public sector expenditures, and to increase public sector revenues. It also initiated negotiations with the IMF to obtain substantial financial resources to reduce external payment arrearages and restore external credit-worthiness. Negotiations with the IMF culminated in an SDR 371.25 million 3-year Extended Fund Facility (EFF), signed in January 1983. It succeeded in rescheduling commercial bank, short-term arrearages over a 5-year repayment schedule starting in 1985 with a 2-year grace period.

The first year of the EFF aimed more at the restoration of orderly external payments and confidence than upon improvements in price-directed resource allocation. It also focused strong attention on the reduction of the public sector financial deficit and transfer of imports to the parallel market. The GODR successfully complied with the first year IMF conditions. It transferred \$85 million of official imports to the parallel market, restricted expansion of net domestic credit of the Central Bank and the Reserve Bank, reduced the Central Bank external payment arrearages by \$100 million, and negotiated a repayment schedule for the commercial bank payment arrears.

The negotiation for the second year IMF EFF program has been difficult. The IMF delegation proposed, in early November 1983, another stabilization program which included continued transfer of all official imports to the parallel market, further reduction in public sector budget deficits, and an overall balance of payments surplus for 1984. The GODR apparently agreed with the new IMF proposal and took action, on April 17, 1984, to transfer all official imports, except petroleum, to the parallel market. This transfer included imports of medicine, baby foods, news print, overseas travel, fertilizer inputs, and some essential raw materials for manufacturing. As anticipated, consumer prices rose sharply by 40% - 50%, some as much as 200%, immediately after the announcement by the Monetary Board. Protests against the high cost of living and the IMF second year program erupted in street violence in many parts of the country and resulted in some 60 reported deaths. As of June 1984, there is no GODR/IMF agreement for the second year program. Whereas the IMF insists on an immediate transfer of petroleum imports to the parallel market, the GODR proposes to postpone the petroleum transfer for six months and then transfer it to an intermediate market. President Jorge Blanco announced on nationwide television that the GODR had suspended the IMF negotiations for the moment.

B. Agricultural Setting and Policy-making Overview

1. Agricultural Setting

The importance of the agricultural sector as a source of employment, output for domestic consumption, and export earnings is substantial. Nearly 3 million people live in rural areas, and there are

approximately 340,000 farms. Agriculture directly employs slightly more than 60 percent of the labor force and contributes slightly more than 16% of GNP.

The 1970's and early 1980's have been difficult years for agriculture. During this period, agriculture has not only grown more slowly than the economy as a whole, it has virtually stagnated. Production of sugar, coffee, cacao, and tobacco declined about 1.5 percent per year over the period. Achieving the sector's potential requires both incentives (including remunerative prices) and the provision of infrastructure and services to farmers. Estimates of private investment in the sector show a steady decline in recent years. This has occurred in spite of massive government investments in the sector, mainly in irrigation infrastructure.

The energy crisis and falling world prices for Dominican commodities made things worse, but do not by themselves explain the poor performance of the sector. The government has attempted to stimulate economic growth, but its policies often lacked coherence and were not very successful.

2. Policy-Making Overview

a. Past Attempts to Improve Policy-Making in the Agricultural Sector

In an effort to create a framework for dealing with the broad array of national agricultural policy issues, the GODR, through Law No. 55 of 1965, established a structure for agricultural development planning which distributed responsibilities between the National Planning Office (ONAPLAN) of the Technical Secretariat of the Presidency (STP) and the sectoral secretariats, including the Secretariat of Agriculture (SEA) and its Subsecretariat for Planning (SEAPLAN). A variety of institutions (many initiated with AID support) were established to implement agricultural development policies and programs. Examples include the Office of Community Development (ODC), the Cooperative Development Institute (IDECOOP), and the National Price Stabilization Institute (INESPRE).

b. The Policy-Making Resource Base

The GODR has also expanded its human resource base for dealing with agricultural development problems, using AID and other donor assistance. A significant amount of academic training was provided under the AID-supported program with Texas A&M University and the Agricultural Sector Loans I and II. In addition, the recently approved Agricultural Sector Training project will initiate agriculture training

shortly. The Integrated Agricultural Development Program (PIDAGRO), supported by the Interamerican Development Bank, has also trained agriculture personnel. AID has also supported a number of technical assistance activities to increase directly SEA's technical capability, including the development of an area sample frame for agricultural statistics and production forecasts, the creation of a unit to conduct agricultural sector analysis, and a Comprehensive Resource Inventory Evaluation System in SEA.

The efforts to expand the human resource base for agricultural development in the Dominican Republic was impressive in its magnitude. So, too, was the technical capacity that was built up. Most of this capacity has remained within the Dominican Republic; however, relatively little has remained within the public agricultural sector. Thus, although the country as a whole has clearly benefitted, the government now finds itself hampered by limited technical capacity to formulate coherent agricultural policies and translate these into effective action. For over a decade, the GODR has been unable to retain highly qualified people because of inadequate salaries and facilities.

c. Recent Developments in Policy-Making

Until recently, the appropriateness of direct government intervention in the agricultural sector, such as the government's agrarian reform program, was debated primarily as a political rather than an economic issue. As the GODR has struggled in recent years to cope with continual financial crisis, the inefficiencies and distortions of substantial State interventions in the economy have finally hit home. Price, foreign exchange, and interest rate policies that discourage rapid agricultural growth have become increasingly questioned. Recent assessments of sector problems stress the heavy dependence of agricultural production on the overall policy environment, and conclude that correct policy decisions are unlikely to be made without competent analysis of reliable data.

A growing awareness of the need to redirect agricultural policy has caused the GODR to liberalize controls on economic activity. The President says export promotion is the cornerstone of the new development strategy, and he has revitalized a dormant forum for debate of agricultural policy issues. The National Agricultural Council (CNA) has broad representation from public sector agricultural institutions as well as private businessmen and universities. Unfortunately, the CNA debates are not supported by analysis of policy options or by estimates of the consequences of alternative policies. Therefore, some policy decisions are based, in part, on interest group influences while other policy issues are simply left undecided.

d. Impact of Current Policy-Making Environment

Faulty policies have magnified the impact of unstable and deteriorating terms of trade for imported inputs and exported products. The full impact of these policies is not known nor widely understood, but some of these policies had the opposite effect from the one intended. Extensive parastatal and official intervention in agricultural product and factor markets for example, have placed a drag on sector performance. In some cases, public interventions intended to promote development, have interrupted private sector initiatives. In other cases, public intervention has served as an implicit tax on agricultural production. Public actions on exchange rates and interest rates have discouraged private initiative. As a result, the balance of trade, fiscal revenues, agricultural incomes, rural employment and the nutrition of the poor are all lower than they would have been if a more neutral structure of incentives had existed.

Three recent studies illustrate the negative impact of some current GODR agricultural policy-making. The Minnesota Study^{1/} reviews substantial GODR intervention in rice. It suggests that GODR policies for increasing rice production, largely through subsidized agricultural credit, fertilizer and improved seed programs, neither helped meet production targets nor improved income distribution. The subsidized programs appear to have reached only a small percentage of the 25,000 small farm units which produce three-fourths of the total domestic production. Further, GODR interest rate policies distorted income distribution by providing income transfers to a relatively few credit recipients, and also discouraged financial institutions from maintaining the real volume of agricultural lending. In addition, price control policies have caused the GODR to undervalue imports in relation to their true cost to the economy, thus favoring rice imports over domestic production.

The Ortiz Study^{2/} indicates that Dominican dairy production is beset with serious problems. This study points out that productivity in the milk sector remains low and stagnant. Price control policies have made milk production unprofitable at official controlled prices, and have caused milk producers to abandon dairy production. Much milk is, therefore, imported.

^{1/} Senauer, Benjamin, et al, "An Analysis of Food Grain Price and Trade Policy in the Dominican Republic." Department of Agricultural and Applied Economics, University of Minnesota, Oct. 1982.

^{2/} Ammerys Ortiz, "Incentives and Comparative Advantage to the Dominican Republic Dairy Industry". M.S. thesis, the Ohio State Univ., 1983.

The Kusters Study^{3/} describes the harmful effects that price control systems may have on the economy. Efforts to restrain increases in prices may seriously disrupt agriculture input supply through elimination of the long-term incentives that promote increased production. The current rice situation illustrates this problem.

C. Statement of the Problem

The foregoing section describes the major problem areas in broad terms. As pointed out, these problems are not unidimensional; they are multifaceted and interrelated. The present administration, upon taking office, was confronted with a wide range of problems, including a depressed agricultural sector, a large and essentially non-viable agricultural bureaucracy, and a complicated and unrealistic panorama of government institutions and regulations which inhibit rather than stimulate agricultural production growth.

The GODR has recognized the urgent need to improve existing policies in order to revitalize the agricultural sector. Serious consideration is now being given to improving agricultural policy formulation. For example, the President and his top agricultural advisors have indicated their need to consider the economic implications of alternative policy options, the government's internal coordination and management, and the political ramifications of policy decisions. After recognizing these needs, the President took the step of resurrecting the National Agricultural Council (CNA). CNA meets regularly to review key agricultural policy issues. Decision-makers from the highest levels of the public and private sectors meet in this forum. The President of the country attends and presides over every other CNA meeting.

Presently, CNA is debating policy without adequate information. Policy recommendations based on reliable data and sound analysis are not available for CNA deliberation. CNA currently has no way of obtaining these inputs. Nonetheless, the urgency and importance of dealing with policy issues to the country's immediate political and economic well-being require that the GODR make decisions.

Compounding this awkward situation is the fact that CNA members often have diametrically opposed viewpoints on important policy issues. Thus, the information and opinions provided by them during the policy discussion process are often viewed as biased and unreliable. End results are too often no decisions, wrong decisions, or decisions not

^{3/} Kusters, Marvin, "Price Control Policy in the Dominican Republic", USAID/DR, Feb. 1984.

fully responsive to existing needs. Thus, while the GODR, by reactivating CNA, has taken an important step forward in developing sound agricultural policies, the GODR still lacks policy options based on unbiased analysis to make intelligent and timely policy reform decisions.

D. Constraints

The principal constraints to agricultural policy-making are as follows:

1. Lack of Institutional Capability

Institutionally, agricultural policy is not given the direct attention that is given to exchange rate, inflation reduction, and tariff and subsidy policies. The existing institutional system does not contain a mechanism for studying, setting, and administering agricultural policy. In sum, the Dominican Republic lacks an institutional body charged with studying agricultural policy.

2. Partisan Politics

Agricultural policy-making is heavily influenced by partisan politics. In the absence of solid analysis of policy alternatives, policy decisions are more likely to be based on political considerations.

3. Limited Technical Capacity

The public agricultural sector suffers from limited technical capability. Recent years have witnessed a significant flight of technical talent, particularly from SEA, and currently few monetary or prestige incentives exist for highly qualified personnel to work in the public sector.

4. Focus on Projects

The focus of the limited analytical capacity that does exist in the public agricultural sector is employed on programs and projects, not on policy analysis and/or policy option formulation.

5. Little Monitoring and Evaluation

There is little monitoring or evaluation of policies, programs or projects. Thus, there is no systematized attempt to learn from past experience and to take corrective action when needed.

6. Poor Linkages with the Private Sector

No strong mechanism exists for information to flow back and forth between government and producers. This prevents producers from seriously influencing policy and deprives the government of direct and timely inputs of information from producers that is relevant to policy decisions. Until the rebirth of CNA, no effective formal mechanism existed for private sector groups to participate in the formulation of agricultural policies.

7. Institutional Fragmentation

Policy formulation is fragmented among many governmental institutions and policy-specific commissions. There is presently no mechanism for assessing the overall coherence of agricultural policy alternatives.

The proposed project is designed to address the foregoing constraints and will facilitate development and implementation of a coherent agricultural policy. The project, as designed, is not intended to address the long-term institutional requirements for national agricultural policy formulation. It will, however, initiate a framework and a mechanism to coordinate actions of government institutions, link government more closely to the private sector, upgrade management capabilities, focus on pressing policy problems, and provide appropriate decision-making information to GODR policy-makers.

III. DETAILED PROJECT DESCRIPTION

A. Basic Problem

The GODR recognizes the urgent need to improve existing policies in order to revitalize the agricultural sector. In an effort to meet this need, CNA has been revived by the President, and meets regularly to review key agricultural policy issues. Decision-makers from the highest levels of the public and private sectors participate in this forum. The President of the country presides over CNA and attends and

The potential of CNA as a decision making body to identify and develop policies that will be effective in ameliorating the multiple problems of the agricultural sector is currently limited. The principal impediment to its effectiveness is that the organization is made up of representatives from various private and public sector interests and political orientations. They receive only limited information and analysis support to give substance and focus to discussions and deliberations. The consequence is that the discussion and debate of the

body is drawn along self-interest and political lines. It is difficult to reach a consensus on the fundamental elements of policy issues confronting the agricultural sector and to identify viable means of resolving these problems.

The need for policy changes relating to agriculture are serious and, in many instances, immediate. The incapacity of CNA to move toward bringing about such changes is severely hampered by the lack of professional staff support. The major support requirement is for analysis and the identification of policy options that will bring more rigor to CNA deliberations and provide the necessary and sufficient basis for informed judgments regarding the relative merits of various policy decisions that need to be made. The results of CNA activities are likely to remain limited in dealing with critical agricultural policy issues in the country until action is taken to strengthen the analytical capacity of the body.

B. Project Concept

The proposed Agricultural Policy Analysis project responds directly to this need. It builds on the GODR's reactivation of CNA and takes into account the realities of the Dominican setting; that is, the limitations of technical capacity in the public sector and the relative wealth of talent that exists in the private sector, including local individuals, universities and consulting firms. The project proposes to utilize this local private sector expertise in conjunction with analytical capacity within the GODR to provide CNA with practical, high quality, issue specific policy studies and options analysis. These studies will respond directly to CNA's information needs. They will be mostly quick turn around and short-term in nature. To assist in developing this capacity, the project will set up an administrative unit within CNA and provide it with a limited amount of technical assistance so that it can effectively obtain and then provide the needed information to the council members in a timely and useable fashion. This unit should substantially improve GODR decision making capability.

C. Project Objectives

The goal of the Agricultural Policy Analysis project is to increase agricultural production, raise farmer incomes, satisfy consumer demand, promote exports and reduce imports. The project purpose is to assist the CNA and through it the GODR to formulate sound, coherent agricultural sector policies. This will be achieved through the creation of operational mechanisms for analyzing policy issues and alternatives in a thorough, systematic fashion and on a continuing basis.

D. Project Activities

The Agricultural Policy Analysis project will strengthen the existing institutional framework of CNA. Specifically it will create an analytical unit which will provide CNA with agriculture policy recommendations based on sound data and analysis and recommendations about the feasibility, soundness, and advisability of policy alternatives. The institutional framework is laid out schematically in Figure 1.

1. The Institutional Framework

a. The Agricultural Policy Analysis Committee

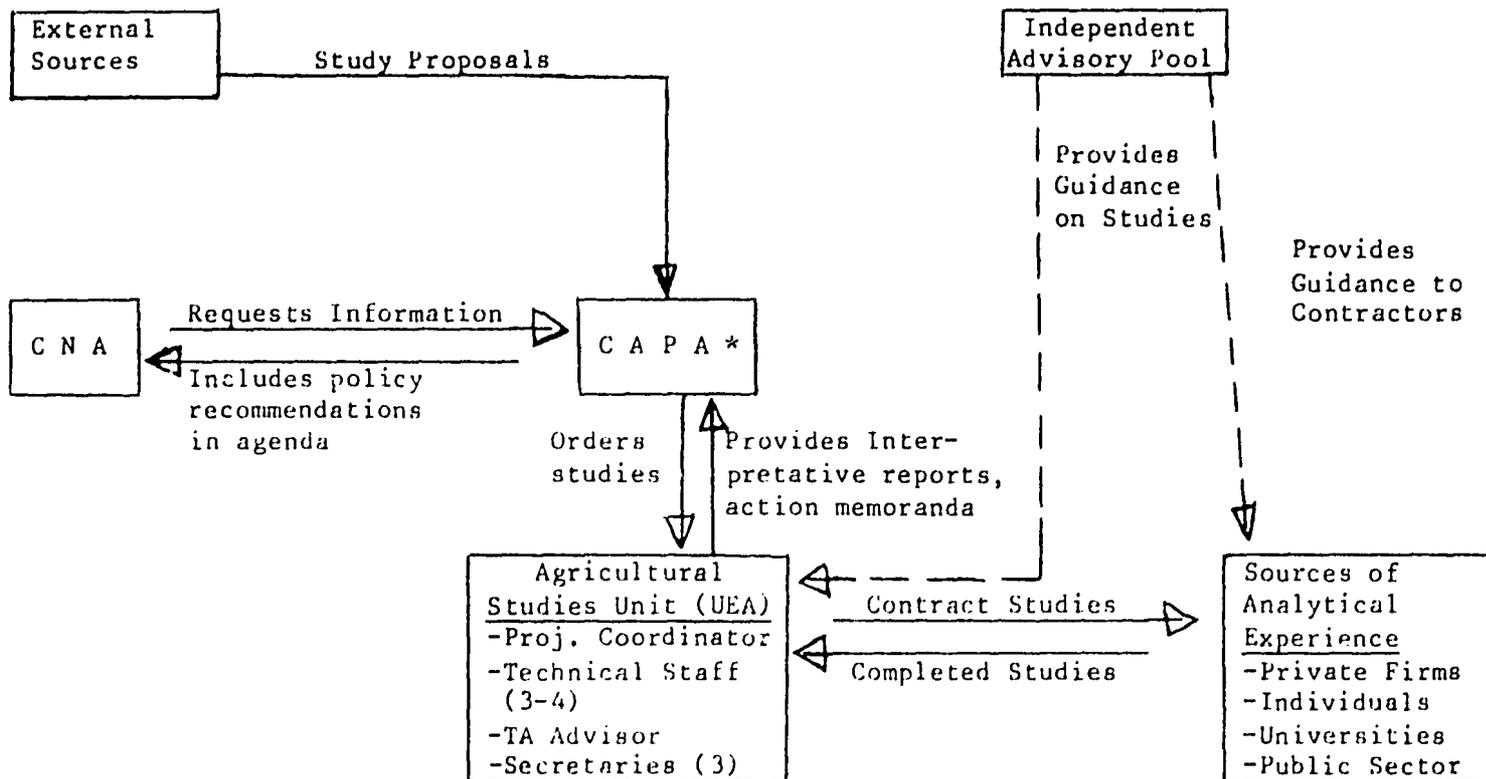
Below CNA, an Agricultural Policy Analysis Committee (CAPA) will be created. CAPA will have seven members, all drawn from CNA. Three members will be from the public sector and four from the private sector. The CNA Executive Secretary will be appointed to serve as Secretary to CAPA and would act as their liaison officer to the Agricultural Studies Unit (UEA). Representatives of the public sector will be the Technical Secretary of the Presidency and the Secretary of Agriculture or their designated representative and the Dean of Agriculture from the Autonomous University (UASD). The other four members of the Committee will be representatives from the private sector, at least two of whom will represent the private university community (UCMM and UNPHU). The President will designate the chair of the Committee.

CAPA will function as an executive committee to translate the directly expressed and perceived needs of CNA into an ongoing program of policy analysis and option identification that will facilitate the resolution of problems relating to the agricultural sector. In this capacity, CAPA will be charged with identifying and specifying areas of inquiry that will best give focus to the deliberations of CNA and which will provide the analytical base for more informed and effective national policy decisions by the CNA for the agricultural sector. The operational mode of CAPA will be both in response to and anticipation of the needs of CNA.

The actual studies to be undertaken will be designed, contracted and administered by the Agricultural Studies Unit (UEA) to be created within CAPA. CAPA members will oversee the unit's work, meeting weekly, or more frequently if the chairman of CAPA believes the circumstances warrant. The chair may designate subcommittees or give individual assignments to CAPA members to the extent deemed necessary for efficient and effective operations. In this respect, CAPA will nominate a liaison officer to ensure that their decisions are carried out and executed. In the absence of a consensus in CAPA, decisions will be based on a simple majority vote with the chair or chair substitute participating in all voting.

FIGURE 1.

PROPOSED ORGANIZATIONAL STRUCTURES



*CAPA consists of 7 members:

GODR

- SEA (1)
- STP (1)
- UASD (1)

PRIVATE SECTOR

- Agrobusiness and producers (2)
- Private universities - UCMM - UNPHU (2)

With the aid of UEA, CAPA will be responsible for problem identification and implementation of the studies program. To assure that activities conform to desires of CNA and consistent with capabilities established by the project, CAPA will make regular reports to CNA. These reports will outline the underlying rationale and scope for specific studies to support the future CNA agenda. CAPA will also submit a monthly report to CNA on the status and progress of studies underway. This will facilitate structuring the CNA agenda to allow for timely consideration of policy issues studied for presentation to the CNA. (Copies of these reports will be made available to AID.)

To adequately fulfill its role of enhancing the quality of debate and the effectiveness of the CNA, CAPA will require assistance and support. The continuing staff support to be provided under the project is outlined in the following section. Beyond the direct staff capacity provided by the project, additional resources will be needed by CAPA in order to respond fully to CNA requirements. Funds will be made available to permit CAPA to access consulting and advisory expertise of particular relevance to its operations, including primarily national but also from expatriate sources. The project will also provide for international travel by CAPA members and the UEA staff to attend conferences, seminars or workshops and to observe the operations of similar national bodies in other countries of relevance to its mission and responsibilities.

b. The Agricultural Studies Unit

To implement the activities of the CAPA, an Agricultural Studies Unit (UEA) will be created within the CAPA office. All operational activities of the unit will be directed by the CAPA as the representative of the CNA. In a response sense, the performance of the unit will thus be fully dedicated to meeting the needs of the CAPA in the formulation and execution of policy studies and related activities that will be responsive to CNA requirements.

The overriding attributes required of UEA staff will be professional competence and a high level of objectivity in carrying out their functions. Within this context, UEA will:

- Provide advice, counsel and guidance on the technical feasibility and relevance of specific studies and/or the study agenda that is developed by CAPA in response to CNA needs;
- Formulate specific plans and performance specifications for studies CAPA decides should be done.

- Have full implementing responsibility for studies that are identified and developed, including selection of individuals or organizations best qualified to conduct specific studies, development of scopes of work and contracts, monitoring ongoing study activity for progress and conformance with objectives, and making an initial determination with respect to the quality and adequacy of study results;
- Advise CAPA with respect to the merits and limitations of completed studies and help CAPA interpret and evaluate study results; and
- Produce, as requested by CAPA, summary or interpretive reports, action memoranda, and other documents that may be required to most effectively convey the results of studies and other staff output to CNA.

UEA staff will include a Project Coordinator, an Agricultural Policy Analyst/Statistician, a Financial/Accounting Specialist, an Agricultural Technical Assistant, an Administrator, and three support Secretaries (one a Senior Secretary with bookkeeping skills).

c. The Independent Advisory Pool

In addition to the administrative direction that it will receive from CAPA, the unit will receive technical guidance from an Independent Advisory Pool (Grupo Asesor). The Pool will be made up of experts from the Dominican agricultural sector. Among its members will be representatives of the Dominican universities and other institutions designated by the CNA. The Advisory Pool will have the following functions:

- Provide guidance on the advisability of conducting studies in-house or contracting them out;
- In cases in which studies are contracted, offer guidance, as needed, on drafting terms of reference;
- Make recommendations on the most appropriate sources of expertise for specific studies; and

Furnish overall policy guidance on developing long-term institutional relationships with Dominican universities in order to strengthen their capacity to guarantee continuity of policy analysis support.

Compensation for this advisory assistance will be for an honorarium of RD\$100 per working session. Advisors will be requested to prepare formal written statement of evaluations for use by CNA, CAPA and UEA. These reviews will become part of the public record.

2. Research Study Activities

a. Types of Studies

The UEA Coordinator will be vested with the ultimate responsibility for studies, including performance requirements, timing, quality, and scope of finished products. He will be able to utilize several alternative arrangements for the conduct of studies to meet policy decision needs: (i) In some cases, UEA staff may conduct policy studies. Considering its size and the range of competence that it will have, such studies will generally be very limited in scope and responsive to the most rapid turn-around requirements of CNA for decision information. (ii) A more typical and usual scenario will be to have ASU negotiate and execute contracts with individuals, consulting firms and Dominican universities to conduct the required policy studies. In some instances it may be necessary to deal with highly specialized problems which may require expatriate individuals or consulting firms. (iii) Yet another method will be special arrangements with other secretariats and government agencies to carry out studies when these organizations have unique competence and objective motivation. In some instances, the coordination of activities involving more than one secretariat or agency may be involved.

b. Criteria for Selecting Issues for Study

Studies carried out under the project will meet the following basic criteria:

1. Studies and analyses will deal with problems and issues relevant to present or future agricultural policies in the Dominican Republic, specially but no limited to those relating to the productivity of agriculture, strategies for agricultural development, constraints on the development process, the distribution effects of alternative policy actions, the implications of these actions within the context of the macroeconomic and social setting for the country as a whole, and other questions within the scope of CNA deliberations.

2. The studies must be framed in such a way that the finished product will be useable by policy decision-makers. This means that the problem must be stated clearly, the facts marshalled neatly, and the policy options set forth objectively so that policymakers can choose among them without feeling that the writer has a bias in favor of one.

3. The implications of adopting each option must be spelled out fully, including the risks as well as the possible benefits of each course of action.

4. Each policy study should be as explicit as possible about who will be affected negatively by each policy option, as well as who will gain if that option is chosen. Particular care must be taken to make sure that the poor are not overlooked as possible gainers and losers, and that when impact on the private business sector is analyzed, the study should consider both existing firms and potential new investors (i.e., if a policy will attract new investment, will it also bankrupt existing firms, or will they be able to adapt and compete under the proposed rules of the game?). If it will favor existing firm, will it exclude potential new firm that might lower costs or improve quality and service?.

5. Policy options should include scenarios for the transition from present policy to each proposed new policy. That is, the analysis should be dynamic, and not merely a comparison of two static situations and an opinion that one is better than another. (How you get from here to there is often more important than the exact final goal you set.)

6. Policy studies should not normally involve the collection of new field data from large samples, nor the construction of complex planning models. This project will not fund Sectoral Analyses.

7. Policy studies must be in touch with the current real situation in the field. This means that the researcher should normally interview at least a few, representative people actually involved in the economic activity that is being studied. In general, this should include interviews with producers, intermediaries and consumers, rather than solely with producers.

8. Policy studies should be started promptly and carried out in a timely fashion. It is expected that about 90% of the studies will take no more than 2 weeks to 2 months with a maximum study period of 3 months. Any study that is budgeted for more than three months will require the written concurrence of USAID.

9. As there are many issues of agricultural policy requiring study, no one study should absorb a large part of Project funds. Any study that will cost more than RD\$25,000 will require the written concurrence of USAID.

c. Contracting of Studies

High standards in selecting individuals, firms, or institutions to conduct studies is essential to help ensure the credibility of the results, and increase the probability that the project will meet national needs. With these objectives in mind, the following will be the process for procurement of the study services:

1) UEA will develop lists of prequalified institutions (or individuals) divided into categories according to: experience and proven performance; range and level of competency available to work in the particular study area(s); ability to fully meet study requirements within the specified time requirements; and quality of personnel available. The provision of these lists will be a Condition Precedent to disbursement. Revisions or updates will be reviewed by the TA advisor and ASU.

2) Once a need for a study is identified, UEA will develop a scope of work.

3) Using this scope of work, UEA (with guidance from the Advisory Group) will choose the appropriate list of prequalified institutions from which to select an institution or individual.

4) Public announcements will be made through the press describing the study activity, category, estimated costs, and inviting all prequalified firms or individuals who are eligible and who wish to participate to appear at the specific place, hour and date. Usually one week advance notice will be given to permit interested parties time to adequately review the work requirements.

5) At the appointed hour, all interested participants must present themselves and agree to have their names put into a hopper in an open public ceremony, and if selected by lottery to sign a contract not to exceed the stipulated amount. The UEA Coordinator will draw a name using the lottery (or "sorteo") method and the contract will be awarded to the prequalified but randomly selected contractor.

When there is a need to procure services not following these procedures (e.g. sole source or predominant capability) the justification for this will be fully documented by UEA and approved by AID.

3. Strengthening the Operational Mechanism

a. Long-Term Technical Assistance

In general, the resident technical advisor will support and assist with activities in several areas that are important to the development of a national capacity to engage in agricultural policy analysis and to reach better policy decisions. His advice and assistance will range across the full spectrum of activities and organizations involved in the project. However, his main responsibility will be to improve the technical capacity and performance capabilities of the ASU staff. The advisor will also be available to CAPA to help formulate a program of agricultural policy analysis, to develop strategies for effectively implementing this program, and to establish good working relations with experts in the public, university and private sectors. In addition, the resident advisor will be available to the CNA for advice and assistance in crystallizing policy issues, and in refining policy options into policy actions.

To strengthen the GODK agricultural policy making apparatus will require this outside technical assistance for the first 18 months of project activities. The Resident Technical Advisor should have several attributes. The advisor should be technically competent in policy analysis methods and techniques, have considerable skill and ability in organization and ongoing management of staff-type policy analysis activities, and should have a full appreciation of the nuances of the environment in which policy decisions are ultimately made by public representatives.

The general elements of a scope of work for the resident advisor and the minimum qualifications are identified in Annex D.

b. Data Organization

UEA will also be responsible for accumulating and managing data resources to support an improved capability for policy analysis work in the private and public sectors. Since most policy studies contemplated under the project are to be short-term, little time and limited project resources will be devoted to primary data collection. Much of the analytical work envisioned under the project will use existing data bases in the public or private sectors. Presently, these data sets are dispersed throughout the government, universities, parastatal organizations and private sector firms. No mechanism exists to assess the quality of data from different sources or to assemble policy relevant data in a central repository where it can be evaluated, updated, and managed in order to expedite and improve the quality of policy related research activities.

To improve this situation and to facilitate high

quality studies under the aegis of the project and beyond, UEA will require six weeks of technical support which will assist UEA to identify available data sets within the country, evaluate the quality of the data, and develop ways to improve data access. In addition, the advisor will assist UEA identify gaps in available data sources and develop long-term strategies to fill such gaps in order to increase the quantity and quality available for policy-making as well as for other economic and social research within the country.

c. Public Information Activities

Since being reinstated as a formal body to consider and resolve policy constraints identified with the agricultural sector, CNA has received considerable public visibility. With the support provided by this project, CNA may be able to make policy decisions based on sound analytical evidence and objective and feasible policy options which specify their consequences for performance of the agricultural sector. Improved credibility and capacity of CNA in the policy arena provides a point of departure for a higher level and considerably improved national comprehension of the policy issues identified with the agricultural sector and of the efficacy of alternative means of resolving constraints to agricultural productivity.

The project proposes to capture the synergism involved in the reactivation of CNA and the flow of information and analysis on agricultural policy issues in order to increase public awareness of the role of agriculture in the national economy, the constraints to agricultural performance, and the major options for relieving these constraints. The project will thus support a program of activities that will broaden the understanding of agricultural policy issues and heighten the level and quality of domestic policy dialogue.

1) A National Conference on Agricultural Policy Issues

Two such conferences will be held near the close of the first and second years of project activity. These conferences will bring together representatives of farmer and agribusiness interest groups and the public sector to discuss and explore the basic policy issues confronting agriculture of the country. They will also address and give perspective to the policy problems of agriculture within the context of the broader national economy. The conferences will be professional in cast and issue-focused in orientation. The structure of the conferences will be established by CAPA with guidance from CNA and staff assistance from UEA and other sources as appropriate. The project will provide funds to commission papers and to underwrite the logistics of conference activities. The formal papers and summary proceedings of these conferences will be made available as public documents.

2) A Documentation Center for Materials on
Agricultural Policy

As noted above, a substantial body of material that addresses policy issues in agriculture from various perspectives exists. It is presently dispersed throughout the government, universities and private sector firms. Many studies exist only in ephemeral form: typed reports, newspaper articles, or documents prepared for conferences or meetings or for internal use of public and private organizations. The study activity generated by this project will contribute substantially to this body of material and will stimulate additional study to illuminate policy issues from a variety of viewpoints.

UEA will be responsible for identifying and establishing a national point of collection of agricultural policy related materials, including but not limited to those produced under sponsorship of the project. The long-term advisor will assist UEA to identify data sources, assess data quality, accumulate and organize available statistical materials, and to provide on-the-job training to UEA staff in principles and techniques of materials management.

3) Distribution of Information Developed by the
Project

In order for the project to reach its full potential impact on agricultural policy making, special efforts will be made to assure that results generated by the effort reach a broad spectrum of Dominican professionals, and the public at large. UEA will develop a distribution system for all studies completed under the project and for all materials developed as a result of conferences, workshops or other public forums that the project sponsors. Distribution will include Dominican universities, public agencies that work in the agricultural sector, and public libraries to the extent necessary to provide for geographic coverage of the country. Copies will also be made available to private sector individuals and firms on a cost basis. All official documents prepared by UEA in support of CNA activities will be similarly distributed or made available.

On occasion, the results of project activity may result in documents that are considered especially useful for illuminating policy problems or issues. Documents will be prepared in printed form for widespread distribution in order to achieve a better public understanding of the forces that shape the economic and social environment in which Dominican agriculture operates.

4. Training Activities

The project will provide training on-the-job as well as refresher courses on policy analysis methods and techniques. The courses will be open to persons who are currently involved in (or possibly with a future commitment to) policy analysis activities and who can meet prior training requirements enabling them to understand and use the material presented. These requirements include M.S. or equivalent training in economics or statistics or demonstrated technical competency at this level as a result of work experience.

Since the courses will focus on updating skills and abilities to perform or manage policy analysis work, relatively little emphasis will be given to the presentation of new principles or relationships. The intent of the course will be to better enable participants to use their technical skills with greater effectiveness in addressing agricultural policy problems. Emphasis will also be on improving general understanding of policy problems and analytical approaches.

The courses will last between two and four weeks. Attendance will be full-time and the following general topics will be covered:

- Agriculture in the national policy setting;
- Identifying and ranking priority policy problems in agriculture;
- Designing analytical approaches to policy problems and questions;
- Reviewing analytical techniques and options for policy analysis activities;
- Data as a constraint on the feasible scope of policy analysis;
- Computer applications in policy research and analysis;
- Interpreting and presenting results of policy analysis studies; and
- Other relevant topics of interest to CNA.

Two sessions of the course will be held with each session accommodating approximately 15 persons. In selecting course participants, a balance will be sought among private individuals or

firms, university staff members, and participants from the public sector. Training should be initiated as early as possible after the project gets underway in order for the project to benefit maximally from it. It is hoped that the first session will be held six months after project activities come on-stream and the course will be repeated near the midpoint of project life. At least two members of UEA will participate in each course session.

The probable sources of expertise for these courses will be individuals on leave from universities, specialized small firms in the U.S., and the U.S. Department of Agriculture's Training Division. External technical assistance required to develop and conduct these courses need not and probably should not be the sole source involved. Maximum use will be made of Dominican expertise in the interests of both credibility and to assure that the training focuses on procedures and issues relevant to the Dominican setting. Furthermore, course relevance would be greater to the degree that studies financed by the project are used as instructional material for these courses.

Financial and logistical arrangements for the courses will be the responsibility of UEA with substantial input and assistance from the Resident Technical Advisor. Where external technical assistance is required, USAID will contract directly with the firm or individual selected for presenting the course. Local expertise will be procured by CAPA through UEA using the procurement procedures described on page 31.

E. Financial Plan

1. The Budget

The total cost of this three year project is estimated to be \$2.45 million. AID will provide \$500,000 in grant funding while the GODR will provide RD\$1.95 million.

a. AID

In addition to the \$65,000 provided for Inflation and Contingencies, AID resources will be used to finance the following inputs:

(1) Technical Assistance - A long-term advisor will be provided for a period of 18 months at a total cost of \$150,000 to assist the CNA to initiate the operations of CAPA/UEA. A short-term advisor will be provided for two months at a total cost of \$20,000 to assist the UEA to assess the reliability of various existing data bases and to organize the collection and organization of existing agricultural studies and analyses. In addition \$125,000 of AID funds will be used to contract for the short-term services of U.S. consultants (5-10 contracts) for periods of 1-2 weeks to one month. These consultants will be

contracted only when local Dominican capabilities are inadequate to undertake the study contemplated.

(ii) Commodities - Two vehicles will be purchased for the use of the U.S. long-term advisor and UEA staff at a cost of \$30,000. In addition, limited office equipment will be purchased including such items as a mini-computer/word processor, three electric typewriters, an inexpensive copy machine at a cost of \$30,000.

(iii) Training - Ten to fifteen invitational travel trips for CAPA and UEA personnel will be financed at a cost of \$2,000 - \$3,000 each. These trips will be to the U.S. and elsewhere and cost a total of \$30,000. In addition, \$30,000 will be used to finance short courses aimed at agricultural policy issues and methodologies. It is expected that the USDA or a U.S. university will provide the instructors and materials.

(iv) Evaluation - Two evaluations will be undertaken during the life-of-the project. It is expected that each will take approximately two weeks and that it will be undertaken by an IQC or PSC. Their salary and travel costs are estimated at \$20,000.

b. GODR

Counterpart resources, primarily using PL-480 Title I resources, will be provided principally to finance two areas:

(i) Local Policy Studies - To cover the costs of studies undertaken by Dominican consultants, RD\$800,000 has been earmarked. It is expected that the UEA will be able to finance between 50-70 studies at costs ranging from RD\$2,000-RD\$25,000.

(ii) Operational Expenses - UEA staff salaries, amounting to RD\$415,000, will be provided for the Project Coordinator (36 p/m), three technical personnel (108 p/m), and three secretaries (108 p/m). A small stipend, in the form of an honorarium, will be provided to Dominican experts at a total cost of RD\$20,000. RD\$200,000 will cover logistic support including such items as office space, basic office furniture, local per diem electricity, telephone, and materials. To print and distribute studies and other reports RD\$45,000 will be provided. Total operational costs will amount to RD\$680,000.

In addition to these areas, counterpart resources will be used to provide RD\$30,000 for vehicle operations and maintenance, RD\$100,000 in support of local short courses and RD\$20,000 for project evaluation. Inflation and contingencies, amounting to RD\$314,000, have also been provided for. Table 1 shows the summary financial plan, requirements of foreign exchange and local currency; and Table 2 shows expected disbursements by years.

2. Recurrent Costs

Assuming that the project is not amended and expanded at the end of three years but continues to operate at the same level of activity as established during years two and three, the yearly recurrent cost is estimated at RD\$705,000 as follows:

<u>Expense Item</u>	<u>Yearly Cost</u>
A. DR Consultants	RD\$300,000
B. Vehicle Operations/Maint.	15,000
C. Conferences/Seminars	40,000
D. UEA Staff	225,000
E. Logistic Support	100,000
F. Publications/Distrib.	<u>25,000</u>
TOTAL	RD\$705,000

Since this amount is only 1.75% of the 1984 PL-480 Title I local currency generations and because much of the funding for recurrent costs is expected to come from future PL-480 Title I generations, the USAID does not believe that this small amount will place either undue pressure on the GODR recurrent cost picture or the local currency funds generated by Title I sales.

3. Methods of Implementation and Financing

The methods of implementation and financing to be used in the project are shown in the following chart.

<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approx. Amount (U/S/ \$000)</u>
-TA-Direct Contract (Non-Profit Contractor)	Direct Pay or LOC-TFCS	150
-ST Direct Contract (Profit Contractor or PSC)	Direct Pay	145
-Commod.-USAID Proc. (Purchase Order/Direct Contract)	Direct Pay	60
-Trng.(TA)-Direct Contract (Profit Contractor)	Direct Pay	60
-Eval.(TA)-Direct Contract (Profit Contractor)	Direct Pay	20
-Inflation/Contingencies		<u>65</u>
	Total Project	<u>500</u>

The methods of financing shown above are preferred methods of financing under the Administrator's Payment Verification Policy Statements and represent no deviation from the Mission's general assessment of financing policy and procedures. Therefore, no further justification of the above methods of financing is required.

All contracting for technical services and procurement of imported commodities will be performed directly by AID, primarily because all AID-funded costs are foreign exchange requirements and because CNA currently has limited capabilities in contracting for these types of foreign exchange requirements.

TABLE 1

Summary Financial Plan
(US\$000)

Component/Activity	AID	Grant	GODR	Total
	FX	LC	LC	
<u>A. Technical Assistance</u>				
1. Long-Term Resident Advisor (18 p/m)	150	-	-	150
2. Short-Term				
a. Agricultural Economics Specialists (2 p/m)	20	-	-	20
b. U.S. Consultants (Studies)	125	-	-	125
c. D.R. Consultants (Studies)	-	-	800	800
<u>B. Commodities</u>				
1. Vehicles	30	-	36	66
2. Office Equipment	30	-	-	30
<u>C. Training</u>				
1. Invitational Travel	30	-	-	30
2. Short Courses: Seminars/Conferences	30	-	100	130
<u>D. Operating Expenses</u>				
1. UEA Staff	-	-	415	415
a. 1 Project Coordinator (36 p/m)	-	-	(100)	-
b. 3 Technical Personnel (108 p/m)	-	-	(225)	-
c. 3 Secretaries (108 p/m)	-	-	(90)	-
2. Advisor Group Services Honorarium	-	-	20	20
3. Logistic Support	-	-	200	200
4. Publications/Distribution	-	-	45	45
<u>E. Project Evaluation</u>	20	-	20	40
Subtotal	435	-	1,636	2,071
<u>F. Inflation and Contingencies</u>	65	-	314	379
Total	500	-	1,950	2,450

(Total AID - \$500)

TABLE 2
 Projection of Expenditures by Fiscal Year
 (US\$ 000)

Source	FY 84 Aug. 1/84 - Sept. 30/85			FY 85 Oct. 1/85 - Sept. 30/86			FY 86 Oct. 1/86 - Aug. 31/87			T O T A L		
	AID	Host		AID	Host		AID	Host		AID	Host	
		Country	Total		Country	Total		Country	Total		Country	Total
<u>1. Technical Assistance</u>												
a. Long-Term	100	-	100	50	-	50	-	-	-	150	-	150
b. Short-Term	55	267	322	55	267	322	35	266	301	145	800	945
<u>2. Commodities</u>												
a. Vehicles	30	12	42	-	12	12	-	12	12	30	36	66
b. Equipment	30	-	30	-	-	-	-	-	-	30	-	30
<u>3. Others</u>												
a. UEA Staff	-	120	120	-	140	140	-	155	155	-	415	415
b. Training	20	40	60	20	40	60	20	20	40	60	100	160
c. Advisory Group	-	7	7	-	7	7	-	6	6	-	20	20
d. Logistic Support	-	67	67	-	67	67	-	66	66	-	200	200
e. Evaluation	-	-	-	10	10	20	10	10	20	20	20	40
f. Publications/Dist.	-	15	15	-	15	15	-	15	15	-	45	45
<u>4. Inflation & Contingency</u>	22	107	129	22	107	129	21	100	121	65	314	379
Total	257	635	892	157	665	822	86	650	736	500	1,950	2,450

IV. PROJECT ANALYSIS

A. Institutional Analysis

1. Introduction

The objective of the Institutional Analysis was to assess the feasibility of the proposed implementation mechanism. The following summarizes the mayor finding of that analysis. The full report is available in the USAID/CRD files.

2. Summary Discussion

The CNA is created by law and has the authority to receive and disburse funds and to contract with other persons and entities in the public and private sectors. It has no track record thus far in executing any major project, but it has achieved prominence as a functional forum for debating agricultural policy. The CNA members interviewed all support this project, and expect it to supply policy analyses to improve both that debate and the policies that the GODR adopts.

CNA's executive committee (CAPA) and the Administrative Studies Unit (UEA) will be new entities, but appear well-suited to Dominican idiosyncrasies. Many of the leading private and public sector actors are present or represented in the CNA, but campesinos, the legislative and judicial branches of government, and opposition political parties, are not. An influential PRD legislator interviewed (Chairman of the Agricultural Committee of the lower house) endorses the project and the CNA, as does a key PR senator who was Secretary of Agriculture under President Balaguer. However, it would be unrealistic to expect all opposition leaders to endorse the project. However, the project design anticipates the normal stresses of a political campaign and change of administration, with features that give the project a reasonable chance of continuity from the existing to the next administration.

The chief protective measures are fixed-term contracts for the four professional staff members of UEA, the departure of the Resident Advisor before the 1986 election, and the fact that the next President will of course be free to name his own members on the CNA and CAPA. AID funding will carry the program on for the first year of the next administration, allowing time to see whether and how the new government uses the CNA, CAPA and UEA before deciding on an expansion of the project.

It was determined during the intensive review of the project that the proposed staffing level of the UEA will permit the unit to handle effectively all substantive matters (i.e., identifying policy studies, defining issues, calling for

proposals, working with consultants and agencies, facilitating access to data, obtaining advisory services, producing copies of finished studies and distributing them widely, reporting to and obtaining approval from CAPA). In addition, it was determined that UEA will be able to effectively make all project disbursements as approved by the CAPA. While it was originally proposed that the Agricultural Studies Unit within the CNA Executive Secretary's Office might carry out this function and provide supplemental secretarial support, it was decided during the intensive review that this function should be included within CAPA/UEA in order to have a self-contained project unit which can deal effectively with all day-to-day study activities.

It was also determined during the intensive review of the project that the effectiveness of the CNA/CAPA operational mechanism is likely to depend on the public's perception of its objectiveness. To gain this confidence, the project committee believes that CAPA and UEA must solicit views and opinions from the full spectrum of both public and private sector leaders. It was therefore decided that during the initial CP and implementation phases of the project, the USAID will carefully monitor the level of involvement of the various sector leaders to insure that all views and ideas are being taken into consideration and that broad involvement in study proposals is taking place.

Other implementation alternatives besides placing the UEA under CAPA were also considered (including putting UEA under ONAPLAN or SEAPLAN, in the private sector, or in a University). These alternatives appeared much less likely to be successful under present Dominican conditions than the CAPA/UEA model in the project design. Nonetheless, these could be reviewed again before launching any follow-on project.

B. Social Soundness Analysis

1. Introduction

The objectives of the Social Soundness Analysis was to evaluate the proposed policy analysis mechanism for participation by farmers and analyze the social impacts of possible study activities. The following summarizes the major finding of this analysis. (A full report is included in the USAID/CRD files.)

2. Summary Discussion

Major facets of the Social Soundness Analysis of this project are its organizational feasibility and the impact of various alternative policy decisions likely to be taken as a result of the project. Several assumptions relevant to social soundness analyses underlie the project: (1) priority is assigned to long-run vs. short-run

benefits to the country; (2) emphasis will be on technical rather than political facets of policy formulation; (3) the public will be informed to the broadest extent possible about why certain options were selected over others, thereby increasing the legitimacy of policy decisions that may run counter to the interests of specific groups and social classes; and (4) the integrity of the technical analysis process will be maintained.

3. Socio-Cultural Feasibility

The forum provided by CNA for debate of policy matters and issues and the participation of different interest groups in the dialogue are consistent with national values of political democracy and political pluralism. In general terms, participants include representatives from the private sector, the major government agencies dealing with agriculture, and the universities. Filtering of technically sound recommendations through the forum will increase the legitimacy of decisions taken by the GODR. CNA, as a forum of debate, conforms to another important facet of Dominican culture. CNA, itself, was created by Executive Order and is currently presided over by the President. As the maximum government authority, he represents ultimate decision-making capacity, consistent with the patronal syndrome of Latin American culture.

CNA support staff are presently located in the Secretariat of Agriculture (SEA). The Executive Secretary of CNA is the Undersecretary for Planning. This makes it imperative that safeguards be present in the project design to defend against the possibility of public agency "turf" interests infiltrating the technical analysis process. A technically qualified advisory input will be made into development of terms of reference for needed studies. The long-term technical expatriate advisor will provide some of this critical input. A pool of highly qualified professionals will be identified and brought into the Agricultural Studies Unit (UEA) to provide these technical inputs. If such a pool of talent is not found, then the importance of inputs by the expatriate advisor will increase correspondingly.

The USAID and the GODR perceive similar benefits flowing from the project. The project was conceived during a conversation between the GODR's President and AID Mission authorities. It was the President who stated the need for a technical analysis capability under CNA. There is reason to believe that other Dominicans involved in the process share similar perceptions of project benefits. Many of them have received advanced training in the U.S. and are familiar with concepts, methodologies and the application of policy analysis.

The interests of small and medium size producers, agricultural laborers, and the urban poor are represented, at least potentially, in the CNA by government agencies such as INESPRES, IAD,

IDECOOP, and ODC. In addition, the President has invited a few small farmers and representatives of other interest groups to specific meetings of the CNA to discuss issues that directly affect them.

Project beneficiaries will include all Dominicans when considering the long-term outcomes of policy decisions. In the short-term, specific beneficiaries, losers and non-affected populations can only be identified in the context of specific policy issues. It will be important as well as a requirement that they be identified in studies commissioned by UEA for each particular issue being deliberated by CNA. It is also imperative that the impact of alternative policy decisions on these groups and social classes be analyzed. Debate of specific issues by CNA and the participation of different interests will help to clarify potential impacts on different groups.

Effective communication is a critical aspect of the policy formulation/decision-making process. This includes issue identification and discussion by groups not directly involved in the process. There is a need to disseminate results of technical studies, on which difficult decisions are based, to the population most affected. Several mechanisms, in addition to printed media, conferences and seminars, are participation by leaders of the most affected groups in regional, provincial and county CNA-type meetings, and use of the radio and other non-print mass media outlets.

4. Spread effects

This project does not involve spread effects in the traditional sense. No technological innovations or organizational forms are being introduced to a particular target group. National councils already exist for other government units. There are also several technical/analytical units already in existence such as the Dominican Institute of Technology (INDOTEC), the National Energy Policy Commission, and the Economic Studies Unit of the Central Bank.

5. Social Consequences and Benefit Incidences

From a macro-social perspective, the nation as a whole will benefit from project activities. There will also be short-run and long-run gainers and losers, depending on the specific policy issues being addressed and the policy options chosen by the GODR. Regarding the beneficiaries/losers of specific policy decisions, UEA will be responsible for identifying which sectors of the economy will be impacted by the policy decisions, which classes and interest groups are most likely to be affected by the decisions, and how they are likely to be affected. Classes/groups which should be considered are: small

producers, medium/large producers, agricultural input industries/businesses, agricultural laborers, marketing intermediaries, export/import industries, poor rural and urban consumers, middle and upper class consumers, and government agencies.

Studies which are commissioned by CNA through UEA will also consider impacts of alternative policy decisions on important social factors, including hunger/malnutrition, employment, migration and political stability.

C. Economic Analysis

This project is designed to provide agricultural policy decision-makers with various alternative policy options for their selection. Each option will be presented with pros and cons and its economic implications for the Dominican economy. The basic premise is that the policy decision-makers will be able to make better decisions if policy options are spelled out clearly.

CNA members are confronted almost weekly with the problem of making decisions on prices of agricultural products. Unfortunately, these vital decisions are made without the benefit of comprehensive analysis of the policy decision being adopted. Often final decisions are based on the impressions/views of some individuals and/or interest groups. Most observers agree that farm product prices have been held below the market equilibrium prices, while farm input costs have escalated due to world price increases. Farmers, squeezed in between, have few incentives to increase production. This has been one of the main reasons why the agricultural output grew only at the average annual rate of 1.7% during 1977-1982. Since population grew at about 3% annually during the same period, agriculture sector production declined in real terms.

Before going into the economic analysis, it should be realized that the approach taken in this project is only the second best. The best would be to rely on market forces of demand and supply to determine realistic prices. But there are two reasons why the market force approach is not practical in the Dominican Republic at this time: (1) The Dominican economy lacks competition. The domestic market is basically controlled by a few firms under the protection of Law 299, the import substitution law. Although there are a large number of rice growers, for example, the existence of few millers and wholesale distributors make it difficult to bring about meaningful competition in the rice industry. (2) The Dominican economy in the past has not operated without price controls. Price control is embedded in the mind of Dominicans. Price decontrol is not an option at this time. Under

these circumstances, the project is aimed at setting agricultural prices at approximately the market equilibrium level that would have prevailed if price control were lifted.

A rigorous economic analysis of the benefits from the project is not feasible because individual policy options that will be analyzed and presented to the decision-makers are not known at this time. Even if we knew the recommended policy options, and the decision makers' selection of the most appropriate option, economic benefits of this project would be difficult to measure because not all the subsequent increases in production could be credited to this project. For example, there are likely to be other factors that positively impact on agricultural output. Therefore, the economic analysis will show that the minimum necessary increase in agricultural production to compensate for the economic cost of this project is small and, therefore, it would be relatively easy to achieve the minimum necessary increase in production to cover the cost of the project. The question then is "how much increase in agricultural production is required to make this project worthwhile from the Dominican economy point of view."

The answers to this question can be calculated as follows: Using the current parallel market rate of exchange (2.75 to 1) as an approximation of the shadow exchange rate, the total economic cost of the project is estimated at approximately RD\$3.5 million over three years. Agricultural production in 1981 was RD\$1,071 million. Assuming conservatively that the 1984 agricultural production is the same as the 1981 level, the total required increase in farm production attributable to this project should be approximately 0.33% (DR \$3.5 million divided by DR \$1,071 million). Assuming all other factors constant and a 15% discount rate, the yearly percentage increase in production that would make this project break even is 0.049% (0.33% times 0.15), or less than 1/20th of 1%. When a similar analysis is repeated for cereal production, the annual percentage increase needed is 0.4%, definitely in the realm of achievement because, as most experts agree, existing agricultural price/cost distortions have depressed farm production below its equilibrium level. Since we believe that the price elasticity of farm supply is far greater than unity, the increase in farm production will be far greater than 0.4% of the minimum required rate.

Another side benefit of the project would be foreign exchange savings/earnings. If realistic prices are adopted for corn, sorghum, rice, beans, etc., the Dominican Republic will be able to replace imports with domestic production. Particularly, corn and sorghum have good potential to substitute imports, mainly used for poultry feeds. Total foreign exchange savings could reach \$50 million within a short period of time.

D. Technical Analysis

1. Introduction

The objective of the Technical Analysis was to clearly identify the specifications of the proposed project elements and to examine the feasibility of implementing the project using the methods proposed. The following summarizes the major findings of our analysis (a copy of the full analysis report is included in the USAID/CRD files).

2. Summary Discussion

The activities to be financed under the project are technically sound and the basic research study methodology is currently in use in many countries around the world. Similar AID projects are either currently being implemented or are under development in Peru, Panama, Egypt and the Philippines.

In the judgment of the project committee, the project design and methodology is appropriate to the Dominican Republic context and offers a reasonable probability of success. The project is designed to meet existing demand for policy analysis and to stimulate additional demand in the future. Furthermore, the project includes measures to address the analytical constraints that currently impede the translation of policy into effective action.

a. Project Design

The creation of a new Agricultural Policy Analysis Committee (CAPA) and a new Agricultural Studies Unit (UEA) within CAPA is designed to increase GODR capacity to develop and assess short and medium-term agricultural sector strategies and policies. The proposal to create a new entity is justified by the institutional context in which agricultural policy formulation currently takes place and lessons learned from experiences in similar projects.

During PID development and intensive review, a number of alternatives to the proposed structure were explored. The project design team, after careful consideration of project needs, has recommended the organizational structure outlined in the PP. The proposal to create a new entity within the GODR is responsive to the institutional need to formalize agricultural policy development instead of continuing to handle policy problem identification "informally" and then appoint ad hoc technical committees by the CNA chairman which have limited analytical capacity to address the problem.

The following provides the principal technical rationale for the design of the proposed operational mechanism:

- CAPA is small (seven members; three public, four private sector). This make-up of the committee assures important private sector participation.
- CAPA will respond directly to CNA, but its short and medium-term agenda will be developed by CAPA.
- A eight person UEA will respond to CAPA and provide advice, counsel and guidance on technical feasibility of specific studies; be responsible for study formulation; and have full responsibility for realizing all studies.
- UEA will be responsible for diffusing newly generated information.
- UEA will conduct seminars, workshops and conferences to upgrade analytical capabilities in both the public and private sectors.
- Most importantly, UEA will give priority to addressing immediate policy-making needs and will be able to provide fast turn-around information which will be based on highly focused studies that respond directly to concerns of policy-makers .

The project technical assistance support is relatively modest in monetary terms, but is significant in that the potential for having a positive impact on agricultural sector performance is substantial.

The scopes of work for these contractors (included in Annex D) should adequately meet the technical assistance needs for developing a viable mechanism for analyzing agriculture policy options. The funding available appears adequate to contract an individual with the necessary qualifications.

An illustrative listing of the studies most likely to be carried out is included in Annex H. An analysis of the cost of these studies indicates that there should be adequate project funding budgeted to carry out the proposed studies activity. Using this illustrative list, basic study criteria were developed for use under the project (page 22). The criteria do not appear unnecessarily restrictive and should assure that the studies carried out meet the basic objectives of the program.

A review of the cataloging of the capability of Dominican private sector institutions (Annex I) indicates that there should be adequate consulting group capability within the Dominican Republic to

carry out the studies contemplated. It is recommended that this catalog be more fully developed by the long-term advisor.

V. IMPLEMENTATION ARRANGEMENTS

A. GODR Administrative Arrangements

The GODR entity responsible for coordinating project activities will be CNA through CAPA. A Project Coordinator, funded with host country counterpart funds, will be hired by CNA (with AID concurrence) to supervise project activities. Eight additional personnel will be hired to assist the coordinator (4 professionals, 3 administrative support). The coordinator will oversee project activities and assure that they are carried out in accordance with the project agreement. In conjunction with CAPA, he will approve annual implementation plans and budgets, and will authorize annual disbursement of project funds. Actual disbursements will be made through direct requests to AID based on the approved annual plans.

B. Implementation Arrangements

Project problems will be minimized by having a project coordination system and basic procedures in place when project implementation begins.

1. A U.S. direct hire employee of the ARD Office will be the project manager. The project manager will have direct responsibility for monitoring all project components. The project manager will work closely with the USAID project committee, the GODR implementing institutions and the AID funded technical advisor. Intensive involvement of the USAID project committee is anticipated through periodic meetings to review project implementation and to resolve project issues. Copies of regular CAPA reports to CNA on study activities will be made available to AID. Periodic reviews will be undertaken jointly by the GODR and USAID.

2. A local project coordinator will be selected by CAPA who will be responsible for the implementation of the project. He will work closely with the outside technical advisor and the Executive Secretary of CAPA.

C. Implementation Plan and Implementation Tasks

The following is a brief plan for implementation of the project:

<u>Month</u>	<u>Activity</u>
July '84-	- Project Agreement authorized and signed.

- August** - initial Conditions Precedent met; project technical advisor position advertised in Commerce Business Daily; funds made available.
- September** - Project Coordinator selected and hired; vehicles and equipment ordered.
- October** - Office space arranged; local procurement of office furniture and equipment completed and in place; the staff of UEA selected, hired and in place; technical advisor award made.
- November** - Technical advisor on board; first annual activity implementation plan developed and approved; technical and executive committees meeting on regular basis; first technical studies undertaken.
- December** - First monthly report series initiated; problem areas identified.
- January '85** - Vehicles and equipment arrived; microcomputers and word processors in place; project fully operational.

The following are recurring implementation tasks expected under the project:

1. Weekly:
 - CAPA committee meets, or as the chair directs.
2. Monthly:
 - USAID project committee meets.
 - CAPA submits monthly progress report to AID.
3. Quarterly:
 - CAPA submits quarterly progress report to AID.
4. Annually:
 - CAPA submits annual activity implementation plan and annual progress report to AID.

5. Mid-point (20th month):

- Project evaluation/technical advisor departing country upon completion of assignment.

D. Procurement Plan and Procedures

All goods and services procured under the grant will have as their source and origin and nationality either the United States or the Dominican Republic.

Contracting for technical advisory services and procurement of commodities will be performed directly by AID, primarily because all AID-funded costs are foreign exchange requirements and because CNA currently has limited capabilities in contracting for these types of procurement. USAID/DR will contract directly with individuals under Personal Services Contracts (PSCs) or firms for the long and short term technical advisory positions, although the PSC is the preferred mode for reasons of economy. The long term advisor will be procured first through advertisement of this position in the Commerce Business Daily (CBD) and other appropriate periodicals. Applicants' qualifications will be evaluated jointly by USAID and GODR project counterparts, and selection will be made on the basis of criteria also established jointly. It is expected that 60 days will be required between advertisement of this position and selection of the advisor. The standard AID contract provisions will apply.

Short term advisory positions will also be advertized through the CBD and other appropriate means. A file of interested candidates, to be maintained by USAID, will be evaluated and ranked by professional qualification to do short term assignments in specific disciplines. When assistance in a certain discipline is required, candidates who were judged qualified will be contracted (in the order of their ranking) and the most qualified and available candidate will be invited to provide the services. Short term assistance is expected to require less than one person-month of effort and to cost less than \$10,000.

Under the proposed contracting arrangements opportunities for contracts with small and/or minority owned business firms appear limited to those cases where individuals are unavailable to provide services under a PSC arrangement. However, because selection of individuals will be made the basis of professional qualifications as well as cost, it we expect that minority firms will be selected in cases where overall costs are competitive with PSCs.

USAID/DR will be responsible for the timely procurement of two project vehicles and office equipment, i.e, typewriters, mini-computer and photocopy machine. Given the low value of these purchases and the possibility of using local suppliers, informal procurement procedures will be followed.

The CNA through CAPA will be responsible for procurement of services of local firms and individuals who will conduct the policy studies. All studies will be contracted out to local institutions using the procedures described on page 31. Local universities are expected to be a major source for these contracts.

E. Conditions, Covenants and Negotiating Status

1. Conditions precedent to initial disbursement (once met, the AID funded technical advisor and commodities can be purchased):
 - Legal opinion;
 - Authorized signatures approved;
 - Project coordinator appointed and hired;
 - CAPA and UEA formed as legal entity; relationship between UEA and CAPA established; and
 - Administrative and Accounting procedures for funds disbursements established and approved.
2. Conditions Precedent to Disbursement for Agricultural Policy Studies:
 - Technical advisor on-board;
 - Annual implementation plan approved;
 - Standard studies contract developed and approved;
 - Study Procurement Procedures Approved;
 - Study selection criteria approved; and
 - List of prequalified institutions, firms and individuals to undertake studies developed and approved.
3. Conditions Precedent to Disbursement for Training Plan:
 - Training Plan submitted and approved.

F. Covenants

The grantee shall covenant that its actions will be on the public record. Therefore their approval and disapproval of all studies should be made public and means to disseminate the findings and results of studies must be taken.

G. Project Evaluation

The definitive evaluation of this project will, naturally, focus on the agricultural policies adopted by the CODR during the project period. The evaluation will focus on the appropriateness and quality of the policy studies that the project generates, the ways in which the CNA uses these studies in policy debates at the national level, and the operations of the CAPA and UEA. Evaluation will also touch on the extent to which the Project has helped to improve interagency dialogue on policy matters and has incorporated the views of various sub-sectors within agriculture (private/public, large and small scale).

Two evaluations are planned for the Project; the first at about mid-project, and the second at the end. The first will probably focus on Project operations, working relationships and early policy study products; the second will evaluate the work of the Project through the transition to the next Government after the elections of 1986. If the new administration appears to understand the purpose of the Project, desires to continue with objective research work, and use Project products in the formulation of agricultural policies, development of an expanded project could be considered at that point.

The two evaluations are budgeted at \$20,000 (US\$10,000 and RD\$10,000) each, which would probably suffice to arrange for 12-14 person-days of a consultant working under a Personal Service Contract to carry out the evaluation. Among the issues to be considered explicitly in the Scope of Work would be the management of the process of study contracting, the internal and external peer review process, and the level of participation by private sector, university, public sector agency, and individual researchers. Particular emphasis would be given to the way and extent to which policy studies generated by the Project had led to actual policy changes, and the effects of those changes on production.

PROJECT DESIGN SUMMARY

LOGICAL FRAMEWORK

Life of project : From FY 84 to FY 87
 Total U.S. funding: 0,5 million
 Date prepared : July 7, 1984

Project title and number: Agricultural Policy Analysis: 517-0156

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions																											
1.1 <u>Goal:</u> To increase agricultural production, raise farmer incomes, satisfy consumer demand and promote exports.	2.1 Crop and livestock production increased by at least 3% annually, per-capita consumption of basic foods increased by 15% , and agricultural exports increased by at least 20%.	3.1 a. GODR agricultural production reports. b. GODR agricultural statistics. c. Agric. export statistics. e. Income-expenditure surveys and reports.	4.1 a. Appropriate policies based on project outputs will promote increased crop and livestock production. b. Continued host country acceptance and support. c. No major natural, political or social changes.																											
1.2 <u>Purpose:</u> To develop operational mechanism for formulating sound and coherent agricultural sector policies.	2.2 <u>Conditions that will indicate purpose has been achieved:</u> FOS An agricultural policy advisory committee (CAPA) has been instituted with its operational staff established and functioning effectively.	3.2 a. CAPA budgets. b. Joint CNA /AID evaluation of the project. c. Assessment of Ag. policy reforms. d. Review of CNA reports. e. Review of CAPA records.	4.2 a. GODR decision makers' acceptance and utilization of CAPA outputs. b. CAPA studies lead to policy changes or reforms.																											
1.3 <u>Outputs:</u> Development of an institutional framework for: a. Conducting studies of agricultural policy issues. b. Providing analytical support to the CNA to assess the feasibility, soundness, and advisability of policy alternatives.	2.3 a. CAPA established within CNA b. Seven staff appointed for CAPA (4 professionals, 3 support). c. An advisory group to CAPA appointed. d. At least 50-70 studies completed.	3.3 a. Monitoring of project components by CNA and AID. b. Project status reports. c. Evaluation reports. d. Technical reports on Ag. policy studies.	4.3 a. CAPA will receive cooperation from decision makers and planning agencies. b. CNA makes necessary funds, personnel slots and adequate pay scale available.																											
1.4 <u>Inputs:</u> <table border="1" style="display: inline-table; vertical-align: top;"> <thead> <tr> <th></th> <th>AID</th> <th>GODR</th> </tr> </thead> <tbody> <tr> <td>A. Personnel</td> <td>150</td> <td>475</td> </tr> <tr> <td>B. Ag. Pol. Studies</td> <td>145</td> <td>800</td> </tr> <tr> <td>C. Commodities</td> <td>60</td> <td>-</td> </tr> <tr> <td>D. Training</td> <td>60</td> <td>-</td> </tr> <tr> <td>E. Operating Expenses</td> <td>-</td> <td>401</td> </tr> <tr> <td>F. Evaluation</td> <td>20</td> <td>20</td> </tr> <tr> <td>G. Inflation and contingencies</td> <td>55</td> <td>314</td> </tr> <tr> <td>Total</td> <td>500</td> <td>1,950</td> </tr> </tbody> </table>		AID	GODR	A. Personnel	150	475	B. Ag. Pol. Studies	145	800	C. Commodities	60	-	D. Training	60	-	E. Operating Expenses	-	401	F. Evaluation	20	20	G. Inflation and contingencies	55	314	Total	500	1,950	2.4 a. Technical assistance into place. b. Commodities purchased. c. Salary agreements with participating institutions.	3.4 a. Signed contracts. b. Procurement documents; vehicles and equipment on site. c. Evaluation reports. d. Project status reports. e. Financial statements. f. Participating institutions budgets.	4.4 a. Qualified T.A. can be identified and is available. b. Qualified technicians available. c. GODR funding available.
	AID	GODR																												
A. Personnel	150	475																												
B. Ag. Pol. Studies	145	800																												
C. Commodities	60	-																												
D. Training	60	-																												
E. Operating Expenses	-	401																												
F. Evaluation	20	20																												
G. Inflation and contingencies	55	314																												
Total	500	1,950																												

ANNEX A

Best Available Document

March 30, 1984

Larry T. Armstrong, CRDO

Agriculture Policy Analysis Project (No. 517-015B)

Philip R. Schwab, Director

Your signature is required to approve the Project Identification Document (PID) for the subject project.

Discussion: The goal of the Agriculture Policy Analysis Project is to increase agricultural production, raise farmers incomes, satisfy consumer demand, and promote exports. The project purpose is to formulate sound, coherent agricultural sector policies. The Grantee will be the GODR acting through National Agricultural Council (CNA).

The three year \$2.6 million project (\$500,000 AID Grant; \$2.1 million GODR counterpart) proposes to maximize the use of local private expertise and provide CNA with practical, high quality, issue specific policy studies. These studies will respond directly to CNA's expressed information needs and will be quick turn around and short-term in nature. The project will constitute within CNA a capable administrative unit which can effectively obtain and then provide the needed information to the council members in a timely and useable fashion.

Mission review meetings on the PID were held February 15, 1984 and March 21, 1984 in the USAID Conference Room. The PID was recommended for approval with the following changes which have been incorporated into the final document.

1. The PID describes the project funded administrative unit in terms of its being the supporting staff of CNA's Agricultural Policy Analysis Committee (CAPA).
2. The PID was clarified to indicate that the involvement in the project of ONAPLAN, SEAPLAN and other GODR institutions would be limited to making available existing data from their files and to assuring that project activities are coordinated.

42

3. The project concept was revised to focus the activities on maximizing local expertise and meeting CNA's immediate and short-term information needs. Accordingly, about 90% of the studies will take no more than 2 weeks - 2 months with a maximum study period of 6 months. Studies requiring more than six months or more than \$25,000 to finance will require prior AID approval.

4. The PID was revised to include a limited amount of TA (i.e. 18 person-months) for assisting CNA in developing its administrative capacity to obtain and provide the needed study information. A section on the role of the resident advisor was included in the PID.

5. Each implementation alternative was clearly identified in the PID. Further study of these alternatives will be carried out during the intensive review of the project.

6. The life-of-project period is now 3 years. It was decided that the project would be more effective if the PACD corresponded more with the expected timing of the change in GODR administrations following the 1986 Presidential elections.

7. All local currency project costs will be financed with GODR counterpart resources. It was decided that PL-480 Title I local currency generations could be used to finance a large portion of these costs.

8. The AID funding level for this project was reduced to \$500,000. The cost of a mini-computer was included in the financial plan under the equipment line item. The PID also notes that while the project only budgets for one secretary, two additional secretaries currently assigned to the Executive Secretary of CNA will be available to support the project.

Initial Environmental Examination: The Initial Environmental Examination for the project, recommending a negative determination is included in the PID as Annex A. Your concurrence is required.

Justification to Congress: The project was included in the FY84 Congressional Presentation.

Authority: In accordance with Redlegation to the Field No. 2 dated April 18, 1982, the Mission Director is authorized to approve PIDs not in excess of \$500,000 without the prior approval of the LAC Bureau.

Recommendation: That you sign the attached Project Identification Document Facsheet approving the Agricultural Policy Analysis PID and you concur with the recommendation for a negative environmental determination by signing the Initial Environmental Examination.

Drafted By: Thamara:CRD:3-23-84

Clearances: VViñas:CRD

TFord:ARDO

RCastro

RVeith:OPE

JChang:OPE

SLiapis:CONTI

CCBuck:DD

43

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT
FACESHEET (PID)

1. TRANSACTION CODE
 A = Add
 C = Change
 D = Delete
 Revision No. _____
 DOCUMENT CODE 1

2. COUNTRY/ENTITY
DOMINICAN REPUBLIC

3. PROJECT NUMBER
517-0156

4. BUREAU/OFFICE
Latin America and The Caribbean
 A. Symbol LAC
 B. Code 05

5. PROJECT TITLE (maximum 40 characters)
Agricultural Policy Analysis

6. ESTIMATED FY OF AUTHORIZATION/OBLIGATION/COMPLETION
 A. Initial FY 81
 B. Final FY 83
 C. FISCAL YEAR 81/2

7. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$) = _____

FUNDING SOURCE		LIFE OF PROJECT
A. AID		500
B. Order U.S.	1. _____ 2. _____	
C. Host Country		2,100
D. Other Donor(s)		
TOTAL		\$2,500

8. PROPOSED BUDGET AID FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. 1ST FY		E. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	180-B	052		500		500	
(2)							
(3)							
(4)							
TOTAL 1.5				500		500	

9. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
053 | 056

10. SECONDARY PURPOSE CODE

11. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
 A. Code _____
 B. Amount _____

12. PROJECT PURPOSE (maximum 480 characters)
 To develop an operational mechanism for formulating sound and coherent agricultural sector policies.

13. RESOURCES REQUIRED FOR PROJECT DEVELOPMENT

Staff: 2 1/2 person months of contractor services to undertake institutional analysis, economic and financial analysis, price policy analysis, and sociological/anthropological analysis, and 2 weeks TDY assistance of an AID/W direct hire.

Funds: US\$36,000 PD and S
2,000 Operating funds.

14. ORIGINATING OFFICE CLEARANCE
 Signature: *Marion Ford*
 Title: Marion Ford, Chief, Agriculture and Rural Development Office
 Date Signed: MM DD YY 3/0 0/3 8/4

15. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

16. PROJECT DOCUMENT ACTION TAKEN
 A = Approved
 S = Suspended
 D = Disapproved
 CA = Conditionally Approved
 DD = Decision Deferred

17. COMMENTS

18. ACTION APPROVED BY
 Signature: *Phillip R. Schwab*
 Title: Phillip R. Schwab, Director, USAID/DR

19. ACTION REFERENCE

20. ACTION DATE
 MM DD YY 01/09/83

44

SCOPE OF WORK

A. Long-Term Agricultural Policy Advisor

The long-term Resident Policy Advisor will bring technical expertise to bear on the operation of UEA and how this unit relates to CNA/CAPA, the Dominican Republic, and to the USAID Mission. It is assumed that he/she will have considerable expertise in the management and administration of research and technical analyses of matters related to agricultural policy. Thus, the Resident Advisor will be expected to provide direct assistance to UEA staff regarding several functions in addition to advising them on the other matters.

The long-term advisor, with the UEA Coordinator, will be expected to interact with several different audiences, including the UEA staff, CNA/CAPA, the public, and USAID. Specific facets of the advisor's scope of work, by audiences, are:

1. UEA Personnel

- a. Assist in the organization and development of an operational mode for effective response by UEA to CNA needs and directives from CAPA;
- b. Provide informal, on-the-job training to UEA staff in order to improve their technical competence;
- c. Help the UEA staff prepare study scopes of work and performance specifications;
- d. Help the UEA staff coordinate and monitor on-going studies for consistency between data and conclusions reached;
- e. Help in the evaluation of finished studies commissioned by UEA with respect to their problem focus and technical accuracy;
- f. Advise the UEA coordinator on matters of internal management, project identification and development, and negotiating of working arrangements for the execution of studies;
- g. Advise the UEA staff in the development of a data center for agricultural policy analysis; and,
- h. Help the UEA staff identify expatriate resources required to support the project.

45

- i. Develop a complete catalog of Dominican private sector universities, individuals and consulting groups capable of carrying out agricultural policy studies.

2. CNA/CAPA

- a. Help CNA, when requested, deliberate the identification and resolution of policy issues;
- b. Help CAPA develop strategies and techniques to effectively use project resources to respond to CNA needs;
- c. Advise and help the UEA staff prepare memoranda; issues statements, executive summaries and other materials developed for consideration by CNA;

3. Public

- a. Advise and help the UEA staff develop a National Policy Information Center; and,
- b. Help the UEA staff organize and participate in project related conferences and workshops.

4. USAID Mission

- Act as a liaison between the project and the USAID Mission by communicating in better directions in various ways, including reports to USAID on the status, progress and potential of the project.

Ideally, the Resident Advisor would be a highly trained and seasoned professional. He/she will be expected to have undertaken job assignments similar to those which have been outlined for UEA staff or to have worked previously in a similar advisory capacity. Among the most important qualifications and experiences that he/she should bring to this assignment are the following: (a) Ph.D. in Agricultural Economics with substantial emphasis on macroeconomic analysis; (b) fluency in Spanish (FSI S-3, R-3 minimum); (c) ten years experience in management of staff capacity in agricultural policy with proven skills in balancing political and technical - considerations, developing people and organizations, such that they have a diminishing dependence on outside advice; (d) intimate knowledge of Latin American culture --ideally resulting from prolonged residence in Latin America; and (e) demonstrated ability to communicate technical policy concepts and study results to lay decision-makers in a simplified and usable form.

B. Scopes of Work and Minimum Qualifications - Key Project Personnel

1. Project Coordinator

The Project Coordinator will be the key to successful operation of the UEA, and will be responsible for its overall operation. In this capacity, he/she will interact with UEA personnel, with CNA/CAPA, with the Dominican Republic, and with contractors, largely through overseeing studies that have been commissioned by CNA/CAPA. Several specific aspects of this scope of work can be defined in relation to each audience:

a. UEA Personnel

- Supervise their participation in studies and other activities assigned to them; and,
- Supervise the development and on-going operations of the UEA data and policy information centers.

b. CNA/CAPA

- Attend and participate in all CNA and CAPA meetings;
- Explain UEA capabilities and limitations relative to studies proposed to CAPA;
- Prepare memoranda, issues statements, executive summaries and other documents as required by CAPA to effectively transmit study results to CNA; and
- Advise CAPA on the relevance of study proposals and the likelihood that study outputs will be useful to CNA.

c. Potential and Actual Contractees

- Maintain continuously updated roster of individuals, firms and institutions competent to perform various types of policy analysis;
- Transform the directives of CAPA into an operation plan for UEA study activity;
- Give leadership to the development of scopes of work for studies;

- Select contractees for specific studies requested by CNA;
- Assume or delegate responsibility for the coordination and monitoring of ongoing study activities;
- Negotiate the contractual terms for specific studies, and incorporate these negotiations formal contract documents;
- Execute negotiated contracts approved by CAPA; and
- Make the final evaluation determination regarding adequacy of scope and quality of effort for specific studies;

d. Public

- Coordinate the organization of conferences and workshops to debate issues and disseminate study results; and,
- Coordinate all refresher course activities in agricultural policy.

Ideally, the Project Coordinator will bring with him/her a variety of skills and experience in order to undertake these responsibilities. Among the most important qualifications and experiences are the following: (1) Ph. D., or at minimum an M.S. in agricultural policy or related area; (2) five years of managing analytical or planning activities in government or private sector; (3) familiarity with Dominican universities; (4) knowledge of Dominican agriculture -- ideally, previous farm/rural residence; (5) two years of administrative experience in the CODR; and (6) previous contract negotiation experience.

C. Agricultural Policy Analyst

The Agricultural Policy Analyst will report directly to the UEA Coordinator, and will be responsible for carrying out many of the day-to-day activities of UEA. It is expected that the analyst's work will be closely supervised by the UEA Coordinator and that he/she will receive on-going substantial advice and assistance from the Resident Advisor.

The Policy Analyst will routinely interact with three different audiences, namely, CNA/CAPA, contractees through study participation, and the Dominican public. For each audience, the Policy Analyst's major responsibilities are:

48

1. CNA/CAPA

- Prepare memoranda, issue statements, technical appraisals and other documents for CAPA and CNA as required; and
- Advise the Coordinator of UEA and CAPA on the technical feasibility of studies that are under consideration.

2. Potential and Actual Contractors

- a. Develop study designs and specifications to meet CNA needs;
- b. appraise the competence of individuals and organizations to perform policy analysis for CNA;
- c. Advise on the qualifications of individuals or groups to conduct specific studies to be commissioned by UEA;
- d. Coordinate and monitor on-going study activities as assigned;
- e. Make initial determinations of the functional and technical adequacy of completed studies; and
- f. Help choose the Senior Consultant to each specific study; and coordinate the form of evaluation and feedback from the Senior Consultant to the UEA

3. Public

- Give leadership to the development and content of the Policy Information Center;
- Oversee the distribution of completed study reports to universities and the public, in general;
- Assist in the development of conferences and workshops to disseminate and debate results of studies commissioned by CAPA; and
- Develop good professional working relationships in policy analysis and related subject matter areas with other professionals in the government, university and private sectors

The Policy Analyst need not have as much formal training in policy analysis nor as much experience as the Project Coordinator. However, his/her involvement in the day-to-day operations of UEA requires that this person have some of both. The amount of training and experience brought to the position will determine in great part the amount of time others will need to spend in providing supervision, advice and assistance to each analyst. Among the qualifications required for this position are:

- PH.D. candidate, or at minimum an M.S. degree (with emphasis on macro theory and quantitative methods);
- Three years of research analysis/management experience in the government, university or private sector;
- Broad working knowledge of Dominican agriculture, including direct farming or farm management experience; and,
- Familiarity with various GODR agencies providing assistance to the agricultural sector.

D. Financial Analyst/Accountant

Job responsibilities of the Financial Analyst/Accountant will complement those of the Agricultural Policy Analyst. The Financial Analyst will be responsible for assuring that the financial analyst/accounting aspects of the project in relation to disbursements of funds for studies, salaries, etc. conform to acceptable accounting/financial procedures. In addition, the analyst will assume primary responsibility for the development and operation of the accounting/disbursement system for the project.

The Financial Analyst/Accountant will also routinely interact with three different audiences, namely, CNA/CAPA, contractors through study participation, and the Dominican public.

1. CNA/CAPA

- a. Prepare memoranda, issue statements, technical appraisals and other documents for CAPA and CNA as required; and
- b. Advise the Coordinator UEA and CAPA on the technical quality and feasibility of studies that are under consideration.

2. Potential and Actual Contractees

- a. Develop study financial/accounting designs to meet CNA needs;
- b. Advise on the financial plan of individuals or group to conduct specific studies to be commissioned by UEA;
- c. Coordinate and monitor on-going study activities as assigned;
- d. Make initial determinations of the functional and technical adequacy of completed studies and the expended funds; and,
- e. Appraise the competence of individuals and organizations to perform policy analyses for CNA.

3. Public

- a. Give leadership to the development and content of the data center for agricultural policy analysis;
- b. Assist in the development of financial plans for conferences and seminars to debate and disseminate results of studies commissioned by CAPA; and
- c. Develop professional working relationships in financial/accounting analysis and related subject matter areas with other professionals in the government, university and private sectors.

The Financial Analyst needs to have as much formal training in accounting as possible. Given that his/her expertise is more specialized, it is important that this person brings considerable training and experience in accounting methods design and financial analysis to the project. Among the qualifications required for this position are:

- M.S. degree in accounting and/or finance.
- Five years of experience.
- Knowledge of Dominican Agriculture -- ideally previous farm/rural residence; and,
- Familiarity with various GODR agencies and their financial procedures providing assistance to the agricultural sector.

51

5C (1) COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No

2. FAA Sec. 620 (c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such a citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No

52

3. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No

4. FAA Sec. 532 (c), 620 (a), 620 (1), 620; FY 1982 Appropriation Act Secs. 512 and 513. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Vietnam, Syria, Libya, Iraq, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver?

No

5. ISDCA of 1981 Secs. 724, 727 and 730. For specific restrictions on assistance to Nicaragua, see Sec. 724 of the ISDCA of 1981. For specific restrictions on assistance to El Salvador, see Secs. 727 and 730 of the ISDCA of 1981.

N/A

6. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property?

No

7. FAA Sec. 620 (1). Has the country failed to enter into an agreement with OPIC?

No

57

8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? **N/A**
- (b) If so, has any deduction required by Fishermen's Protective Act been made?
9. FAA Sec. 620 (q); FY 1982 Appropriation Act Sec. 517. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? **No**
- (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill appropriates funds? **No.**
10. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) **Yes**

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? **No**
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taxing into Consideration memo.) **Current**
13. FAA Sec. 620A; FY 1982 Appropriation Act Sec. 520. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? **No**
Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? **No**
14. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under FAA? **No**

55

15. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements on safeguards? **No**
Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device, after August 3, 1977? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)
16. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.) **N/A**
17. ISDCA of 1981 Sec. 721. See special requirements for assistance to Haiti.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

a. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

No

b. ISDCA of 1981, Sec. 725 (b). If ESF is to be furnished to Argentina, has the President certified that (1) the Government of Argentina has made significant progress in human rights; and (2) such assistance is in the national interests of the U.S.?

N/A

c. ISDCA of 1981, Sec. 726 (b). If ESF assistance is to be furnished to Chile, has the President certified that (1) the Government of Chile has made significant progress in human rights; (2) it is in the national interest of the U.S.; and (3) the Government of Chile is not aiding international terrorism and has taken steps to bring to justice those indicated in connection with the murder of Orlando Letelier?

N/A

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to project funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESP.

CROSS REFERENCES:

IS COUNTRY CHECKLIST UP TO DATE? Yes.
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 82 Appropriation Act Sec. 523; FAA Sec. 636A; Sec. 653(b).

(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) The project was included in the FY 84 Congressional Presentation as a new project in FY 84. A Congressional notification is required.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Not Applicable.

(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

The Project will need to be ratified by the Dominican Congress. In the past AID projects have been ratified in a timely manner.

58

4. FAA Sec. 611 (b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973? (See AID Handbook 3 for new guidelines.) **Not Applicable.**
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? **Not Applicable.**
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. **The Project cannot be executed as part of a regional project.**
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. **Not directly applicable.**

8. FAA Sec. 601 (b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). The technical assistance and equipment for the project will be procured from U.S. private sector sources.
9. FAA Sec. 612(b); Sec. 636(h); FY 1982 Appropriation Act Sec. 508. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The project agreement will require that counterpart contribution be used in the implementation of project activities.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? There is no excess, U.S. owned local currency available for this program.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1982 Appropriation Act Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity? Not Applicable.

13. FAA 118(c) and (d).
Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests. **Yes.**
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? **Not Applicable.**

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); Sec. 111; 113; 281 (a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

The project is directed to increasing the wellbeing of the country's poor. This would be accomplished through the development of an operational mechanism for formulating sound, coherent agricultural sector policies. The resulting gain from this will increase agricultural production, raise farmers incomes, promote exports and improve distributional equity among segments of the national population. This project will promote the participation of women in consulting, educational and productive programs.

Yes.

62

c. FAA Sec. 107. Is appropriate emphasis on use of appropriate technology? (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement been waived for "relatively least-developed" country)?

The recipient country is providing 81% of the costs of the project

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least-developed?" (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.

Not Applicable

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The project supports development and promotes skills of both administrative and technical personnel through OJT, seminars and workshops. Furthermore, local institutions and individuals would be much utilized in the project.

Development Assistance Project
Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

Not Applicable.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

Not Applicable.

64

3. Economic Support Fund
Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102? **Yes.**
- b. FAA Sec. 531 (c). Will assistance under this chapter be used for military, or paramilitary activities? **No.**
- c. FAA Sec. 534. Will ESP funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives. **Not Applicable.**
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements be made? **Not Applicable.**

65

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered .
routinely in those provisions of an assistance agreement dealing with its
implementation, or covered in the agreement by imposing limits on certain
uses of funds. (:

These items are arranged under the general headings of (A) Procurement,
(B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

66

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? **N/A**
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? **No**
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? **Yes**
8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? **Yes**

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes

B. Construction

1. FAA Sec. 601 (d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 602(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

68

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? **Yes**
4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525:
 (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion? **Yes**
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? **Yes**
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? **Yes**
- d. FAA Sec. 662. For CIA activities? **Yes**

61

- e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? **Yes**

- f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? **Yes**

- g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues? **Yes**

- h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? **Yes**

- i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? **Yes**

- 5. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? **No**

- 6. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? **No**

ANNEX F

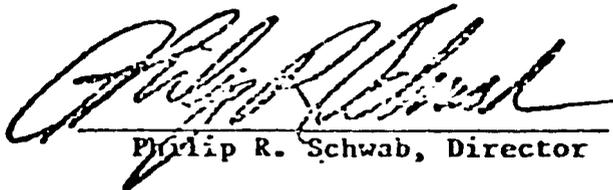
INITIAL ENVIRONMENTAL EXAMINATION

PROJECT LOCATION : Dominican Republic
PROJECT TITLE : Agricultural Policy Analysis
FUNDING : FY-84, \$500,000 Grant
LIFE OF PROJECT : Three Years, ^{FY-84} FY-87
IEE PREPARED BY : Marion Ford, Chief Agriculture and Rural
Development Officer -- USAID/DR
DATE : March 30, 1984

Environment Action Recommended

It is recommended that a negative determination be made for this project. Based on careful observation and analysis of project conditions, the proposed project activities will have no significant detrimental effects on the physical or sociocultural environment and is therefore, an activity for which neither an Environmental Assessment (EA) nor an Environmental Impact Statement (EIS), as defined in AID Regulation 16, will be required.

CONCURRENCE:


Philip R. Schwab, Director


Date

11

CERTIFICATION PURSUANT TO
Section 611 (e) of the
FOREIGN ASSISTANCE ACT
As Amended

I, Philip R. Schwab, the principal officer of the Agency for International Development in the Dominican Republic, do herewith certify that in my judgment, the Dominican Republic has both the financial capability and human resources to maintain and utilize effectively goods and services procured under the capital assistance project entitled Agricultural Policy Analysis.

This judgment is based upon the record of implementation of AID financed projects in the Dominican Republic and the results of the consultations undertaken during intensive review of this new project.

Philip R. Schwab
Director, USAID Dominican Republic

Date

12

STUDIES LISTING

Although specific studies to be performed will be defined by CNA, it is likely that high priority will be attached to studies which analyze:

- Equilibrium prices and farm production response;
- Alternative strategies for liberalizing retail price controls;
- Markets for non-traditional export crops;
- Self-sufficiency of feed grain and edible oil production;
- The impacts of liberalizing credit policy in the absence of liberalizing controls on farm-gate prices;
- Exchange rate policy options and their anticipated impacts on agricultural production;
- The impacts of subsidizing agricultural inputs as a means of not raising agricultural output prices;
- The impacts of inflation on the relative attractiveness of investments in agriculture;
- The impacts of restrictions on free market entry, for example, in the case of milk;
- Inconsistencies in forestry policy;
- Options for "privatizing" government agricultural operations; and
- The relative efficiency and effectiveness of different kinds of agricultural sector programs and projects.

About 90% of the studies will take no more than 2 week - 2 months with a maximum study period of 6 months. Studies requiring more than six months or more than \$25,000 to finance will require prior AID consent.

INSTITUTIONS, FIRMS AND INDIVIDUALS LISTINGS

A) INSTITUTIONS

- 1- Universidad Autónoma de Santo Domingo (UASD)
- 2- Universidad Nacional Pedro H. Ureña (UNPHU)
- 3- Universidad Católica Madre y Maestra (UCMM-ISA)
- 4- Instituto Tecnológico de Santo Domingo (INTEC)

B) FIRMS

AGROCONSULTAS, S.A.
Av. Abraham Lincoln No. 607
Tel.: 567-0409 567-0488
- Ing. Gerónimo Vásquez

Consultores para el Desarrollo Económico (COPADE)
Av. Prol. Bolívar No. 532, esq. Calle 2,
Edificio Exagonal, 2do. Piso
Tel.: 533-0351
- Sr. Luis Ventura

Investigaciones Industriales, C. por A. (INVESTI)
Calle Roberto Pastoriza No. 205
Tel.: 566-0363 y 566-3888
- Ing. Hugo Guilliani

Valdez, Peña & Asociados
Av. 27 de Febrero No. 387
Tel.: 567-1565
- Lic. Frank Valdez

Consultores y Servicios Profesionales (CONSERPO)
Av. Bolívar No. 2058, Apts. 11 y 12
Tel.: 533-5322

SAVIA - Especialistas Agrícolas
Calle Restauración No. 132, esq. 30 de Marzo
Apartado Postal No. 10-2
Santiago, R.D.
- Ing. Angel Taveras T.

Oficina J. M. Cabral y Báez
Calle El Sol No. 58
Santiago, R.D.
Tel.: 582-8127
Consultores Agrícola y Asociados, C. por A. (CONSULTAS)
Av. Winston Churchill, Edificio Lawa, Apto. 311
Apartado Postal 35-9
- Lic. Juan Núñez

CARIBETEC, C. POR A.
Calle Pantino Falco No. 43,
2do. Piso, Ensanche Naco
Tel.: 565-9991
- Dr. Milton Messina

Consultores del Caribe, S. A.
Calle Gustavo Mejía Ricart esq. Tiradentes
2do. Piso, Apto. 201,
Tel.: 567-8189 y 566-4744
- Ing. Manuel Gómez Pieter

Asesoría y Proyectos, S. A. - AGRIDEV
Av. 27 de Febrero, Edificio Galerías Comerciales,
Suite 508
Tel.: 566-4038 y 565-6135
- Ing. Francisco Rodríguez

Rayma Consultores
Bienvenido García Jautier
Las Palmas Apt. 11- Arroyo Hondo
Tel.: 566-0332
- Ramón Pérez Minaya

Agroeconómica, S.A. (AGRECO)
Ana Josefa Puello No. 33
Mirador Sur
Aptdo. Postal No. 20504
Santo Domingo, D.N.
Tel:
- César E. López

Agrohorti, S.A.
P.O. Box 345-2
Santo Domingo, Rep. Dom.
Tel.: (809)532-7292
Apartamento C-2
Av. Abraham Lincoln No. 954
Santo Domingo, Rep. Dominicana
- Ing. Agrón. Domingo Marte

1
2

C) INDIVIDUALS

- 1- Mr. Ruben Núñez (Ph.D)
- 2- Mr. Sixto Bisono (MS)
- 3- Mr. Alberto Veloz (MS)
- 4- Mr. Leonardo Conde (Ph.D)
- 5- Mr. Luis Pérez Cuevas (Ph.D)
- 6- Mr. Marino Chanlatte (Ph.D)
- 7- Mr. Luis Gómez Sipion (MS)
- 8- Mr. Blas Santos (MS)
- 9- Mr. Roberto Saladin
- 10- Mr. Pablo Rodríguez (MS)
- 11- Mr. Carlos Aquino
- 12- Mr. Juan Núñez (MS)
- 13- Mr. Joaquin Nolasco (MS)
- 14- Mr. Domingo Marte (MS)
- 15- Mr. José Gómez (MS)
- 16- Mr. Manuel Viñas hijo (MS)
- 17- Mr. Agapito Pérez (Ph.D)
- 18- Mr. Arturo Martínez (Ph.D)
- 19- Mr. Roberto Thevenin (MS)
- 20- Mr. Frank Tejada (MS)
- 21- Mr. Horacio Ornes
- 22- Mr. Victor R. Viñas (MS)
- 23- Mr. Jorge Curiel (MS)
- 24- Mr. Ezequiel García (MS)
- 25- Mr. Víctor Garrido (MS)
- 26- Mr. Leonardo De León (MS)
- 27- Mr. Santiago Tejada (MS)

76

OFFICE EQUIPMENT LIST

Quantity	Item	Estimated Value (US\$ CIF)
3	IBM - Selectric III typewriters	\$3,000
1	Multiuser Micro computer word processor which includes:	
	<u>Hardware</u>	
	-Micro 512K memory, 2 diskets,	
	-color monitor, hard disk	
	-terminal, dumb	
	-printer, daisy wheel	
	-printer, dot matrix	
	-plotter, 6 - 8 colors	
	-UPS	
	<u>Software</u>	
	-multiuser operating system	
	-Word processing	
	-spread sheet	
	-statistic	
	-graphics	18,000
1	Photocopy machine	<u>\$ 5,000</u>
	Subtotal	<u>\$26,000</u>
	Inflation & contingencies	4,000
	Total	<u>\$30,000</u>