

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

DOMINICAN REPUBLIC



JUNE 1983

**Agency for International Development
Washington, D.C. 20523**

UNCLASSIFIED

FY-1985 ANNUAL BUDGET SUBMISSION

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USAID/DOMINICAN REPUBLIC

ACTION PLAN

The overall AID assistance program in the Dominican Republic is aimed at achieving the following objectives: (1) to enhance equitable and rapid economic growth, (2) to provide more employment opportunities, (3) to increase production of food, and (4) to improve the human resource base. To achieve these objectives the Mission has adopted a strategy which, for the near to medium term, builds upon those areas necessarily begun before, but to a degree shifts its emphasis to the resolution of immediate economic problems.

These problems include:

- (1) An economic policy environment that discourages full participation of the domestic and foreign private sector.
- (2) High unemployment with a rapidly growing population.
- (3) The high cost of energy, which impedes efficiency in agricultural and industrial production.
- (4) An insufficient domestic production of basic food commodities.
- (5) The difficult structural adjustment that is necessary to cushion the domestic economy from the vagaries of world price fluctuations.
- (6) Generally, the poorly prepared human resources available for self-sustaining economic growth.

The program for the FY-1985 CDSS planning period, therefore, emphasizes:

1. The encouragement of macro-economic reform through policy dialogue and prudent utilization of ESF funds as "leverage", and through close coordination with IFI's (including World Bank, IMF, and IDB). ESF, in turn, will provide foreign exchange for balance of payments deficits, while the counterpart pesos will be used to

stimulate private sector activities and provide some support to public sector services.

2. Increased private sector investment, non-traditional exports, and job opportunities through taking advantage of opportunities in the following areas: (a) re-export industries (free zones), (b) agro-industry, (c) mining, (d) tourism, and (e) small industries. Both DA and ESF resources will be utilized to pursue a strategy closely linked to the CHI to implement activities aimed at stimulating interest in new trade and investment opportunities, and in facilitating access to the U.S. market.

3. Increased food production through programs aimed at protection and stabilization of the natural resource base--soil, water, and forests, and promotion of export-oriented agriculture. The Mission will also promote the acceptance by the GODR of a new policy which moves the public sector out of productive agriculture and concentrates on providing services and incentives to small commercial or potentially commercial farmers.

4. Improvement of the human resource base through programs aimed at more effective public and private services in the areas of basic, vocational, and professional education, health and nutrition, and population planning. PL-480 foods will continue to be used as a development tool to encourage policy dialogue, provide counterpart support in critical development areas, and to encourage development at the community level while improving nutritional intake.

Consistent with the long-term objectives and strategies set forth in the FY-1985 CDSS and the LAC Regional strategy, the Mission proposes the following specific objectives and activities for the FY-1984-1985 program:

PRIVATE SECTOR AND EXPORT EXPANSION

The basic objective of the USAID supported private sector activities and export expansion is to help the GODR increase its foreign exchange earnings, level of employment, and fiscal receipts through the expansion of non-traditional exports. The simple reorientation of existing productive capacity, without substantial new investment, will not be sufficient to provide the production capacity and efficiency

necessary for export earnings of the magnitude required. The Mission, therefore, will concentrate on promoting the incentives and opportunities which will encourage the required new investment. Activities for FY's 1984 and 1985 will include:

1. Promotion of a favorable investment climate which will attract increased foreign and domestic capital investment. USAID will engage in policy dialogue through the provision of technical assistance to help overcome major bottlenecks caused by existing foreign exchange regulations, foreign investment laws, tax and tariff structures, etc. Project activities will be designed and developed to provide technical, managerial, and promotional assistance to free trade zones and potential exporters; joint ventures will be encouraged.

2. Promotion of agri-business exports by providing financial and technical assistance to projects involved with diversification of sugarcane and/or development of agri-business. Financial and technical assistance will be provided to exporters or potential exporters through a variety of activities to identify or expand outlets in the U.S. or other countries. USAID will also encourage and support policy changes which move the public sector out of productive agriculture and concentrate on providing services and incentives to small commercial agri-business or potentially commercial firms. This will be done through the design and development of an Agriculture Policy Analysis Project.

3. Upgrading of governmental and private organizations responsible for assisting foreign investors. Technical assistance and training programs aimed at increased foreign investment and export will be designed, developed, and made available to key organizations, such as the newly created Commission on the Promotion of Foreign Investment. Support to existing public agencies, such as the Dominican Center for Export Promotion (CEDOPEX), which is currently focussed more on regulating and controlling rather than promoting exports, will also be considered. Dialogue will be developed with private organizations, such as the Dominican American Chamber of Commerce, the Association of Industries, and the Chicago Association of Commerce and Industry, to encourage their participation in programs designed to improve their services, i.e., training and promotion of production and exports.

4. Research and identification of export opportunities. Studies will be undertaken to identify new products and new markets for development of Dominican export trade, including the support of trading companies, which could be especially useful for small producers. Other studies will take place in the areas of tourism and mining, and will show, for example, the relationship of tourism to agricultural production and artisanry programs. In addition, pilot

activities implemented by PVOs to explore new agricultural and industrial products will continue to be supported by USAID.

5. Increase the production capacity of small- and medium-size industries. Dominican entrepreneurs will continue to be assisted in overcoming the constraints to growth. Credit assistance through financial institutions will continue to be earmarked for small industries, to enable them to meet working capital and expansion investment needs. Technical assistance in the critical areas of management, production and quality control, and marketing will be expanded to secondary cities to serve rural industries by 1985.

6. Key management steps to strengthen the Mission's private sector program management capacity. The Mission will bring on board a USDH Private Sector Specialist in 1984 in place of the Urban Development Officer. The Mission is also in the process of contracting an FSN Export Promotion Advisor. It is contemplated that many of the studies and much of the research related to policy matters will be contracted out to U.S. as well as Dominican professionals. With the support of USAID staff offices, this new arrangement will be sufficient to manage the private sector program.

AGRICULTURE

The agricultural strategy, as stated in the CDSS, will employ a two-pronged approach to agricultural development: stabilization of the natural resource base, and promotion of commercialized farming, particularly export-oriented agriculture. This is directly in line with the IAC Bureau's twin objectives of increased food production and increased income for the rural populous. To achieve these CDSS long-range strategies, the Mission has set forth the following objectives for FY's 1984 and 1985:

1. Improve soil and water conservation practices in the mountainous areas, and begin other programs in management of natural resources. Farming systems research, taking into account the cultural and ecological aspects of the target area, will be well-underway. Many of the 100,000 inhabitants of that region will be receiving regular technical assistance and training in improved conservation practices. By 1985, the second operating plan will be completed by the GODR, and will be in the process of being implemented. Two other programs, aimed at improving management of natural resources and alternative land use, will be initiated during the FY's 1984 and 1985 period with the following activities developed and

underway: pilot demonstration plots to illustrate improved water management at the farm level in irrigated regions; tree nurseries constructed and planted for reforestation purposes; and farmers receiving technical assistance and training in water management and reforestation practices.

2. Expand access to agricultural inputs leading to increased agricultural production. The rural infrastructure will continue to be improved with the installation of one additional regional center and the rehabilitation of an additional 1,600 kilometers of rural roads under the AID loan. The availability of agricultural credit at market rates will be increased, as savings from rural areas begin to be mobilized and the Agricultural Bank lending policy is changed. (Currently the Agricultural Bank provides 50% of the credit going to the agricultural sector.) As the U.S. trained policy analysts in the Agricultural Policy Analysis Unit begin to provide more refined information to GODR policy decision-makers, more attractive prices for agricultural products will encourage the farmer to increase production. By 1985, some 40 participants will be receiving advanced training in agricultural sciences and management, which will lead to a significant transfer of technology in this sector. In areas where alternative crop production is called for, producers will be receiving the needed credit, technical assistance, and training towards this end.

3. Strengthen the agro-industrial infrastructure and expand domestic and foreign markets. Improvement of post-harvest agricultural management and marketing will begin in 1985. Studies will indicate what crops can be marketed--particularly abroad--and what improvements in the agro-industrial system will be required. Activities will include foreign investment promotion, assistance for construction of storage and fumigation facilities, packaging and processing facilities, etc. In 1985, some of the studies will be completed, and several activities required will be identified. This agri-business program will use both ESF and DA funding, and will be closely linked to the Export Promotion Strategy.

4. Key management steps to strengthen the Mission's agriculture program management capacity. The Mission will utilize contract personnel, technical assistance provided under the specific projects, and a staff of three U.S. direct hires, one FSN direct hire, and one IDI to carry out the activities planned in the agriculture sector. The Road Rehabilitation Projects will be monitored by the Mission direct hire engineer. The Mission also is considering the addition of one direct hire or contract FSN to assist in project implementation. This assistance, in addition to the support of the Mission staff offices, will be adequate to implement the agriculture program.

EDUCATION

Objectives of the Mission's education strategy are to: (1) improve basic education through traditional and non-traditional (radio) methods, and (2) provide skills and management training in priority areas. As pointed out in the Regional strategy, support to basic education in the Dominican Republic, where improvement in the literacy rate has lagged behind its neighbors, will be continued. Improvement in vocational and managerial skills is a sine qua non for more effective performance of the private sector.

The following objectives are set forth for the FY's 1984/1985 period:

1. Increased financial and institutional capacity to provide vocational and managerial training. In the private sector an AID-supported educredit bank will be authorizing 1,000 new loans to needy vocational education students attending 14 private Dominican vocational/technical schools. These 14 institutions will be able to access loans for commodity purchase and off-shore training for some 20 faculty members. In 1984, a graduate management project with a private Catholic institution will open its doors to over 100 new Masters-level students in business and public administration; the first students will be graduated in 1985.

2. Provide basic education to primary as well as adult students through non-traditional methods. Through our OPG with Radio Santa Maria (RSM), a private Catholic adult literacy radio station, field work data analysis and production of the final report regarding RSM's impact and potential for expansion will be completed in 1984. Also, evaluation data will be disseminated to other education sector institutions and authorities through project seminars. A second radio education project (centrally funded), which operates with the public sector, will continue to broadcast to the initial rural target group of approximately 12,000 youths, and will continue field evaluation of radio impact with comparison to traditional learning situations. New activities in 1984 will include development of a radio-based social science curriculum, and introduction of PL-480 foods as a reinforcement of the learning process in selected communities. Activities in 1985 will include expansion of program coverage to additional communities and into upper lower primary grades, and training of additional promoters and "radio auxiliaries" to effect increased program coverage.

3. Improve public sector basic education through implementation of the educational reform. In 1984, there will be a continued implementation of teacher training activities with increased emphasis on follow-up, as well as replication of initial courses. Activities will be initiated in systematic data collection and analysis for the primary education sector; improving the efficiency of public sector education offices of planning and statistics; creation and equipping of "nucleo" libraries; and expansion of practical arts curricula. In 1984, we are planning an education sector update. An assessment team will complete an updated assessment of the education sector and make program recommendations. The results of this update will be used to develop a new FY-1984 project to expand and improve rural education. The project will be initiated in 1985.

4. Enhance the effectiveness of policy dialogue and improve the decision-making process. A program will be initiated to provide training to some 200 Dominican legislators in policy and decision-making skills. By the end of the FY's 1984/1985 period, seminars on major issues facing the legislature will be designed, developed, and in operation. A legislative aide internship program for highly qualified Dominican university students will be in operation, and a center for legislative information will begin. In addition, by the end of FY-1985, some 20 Dominicans will be sent to study in the top 25 U.S. universities for Ph.D. or post-doctoral work in all fields of economics, business, and international development affairs. Upon return, the majority of these Dominicans will serve as policy-maker staff analysts for the purpose of providing appropriate and timely analysis of important policy issues.

5. Key management steps to strengthen the Mission's education program management capacity. In addition to technical assistance provided under the specific projects, the education program will be managed by two direct-hire and one FSN advisors supported by USAID staff offices. The FSN will continue to receive appropriate training.

HEALTH AND POPULATION

The primary focus of Mission-supported health and population activities will be to assist the Secretariat of Public Health (SESPAS) to increase utilization rates of both its primary and secondary health care infrastructure, both severely under-utilized at present. Increases in cost-effectiveness and the future introduction of user

fees for curative services are expected to permit the GODR to improve Primary Health Care (PHC) services to the rural population, and to extend these services to the poor segments of the urban areas. Through non-bilateral approaches in both the public and private sector, the Mission will continue to support demographic information gathering and disseminating activities, and family planning, education and service activities. Major program goals and means are as follows:

1. Increase the productivity and cost-effectiveness of public sector health service delivery infrastructure. The Mission is now designing a Health Systems Management Program aimed at increasing the benefits derived from earlier AID investments in the training of rural promoters and the construction and equipping of rural clinics. Project activities to be undertaken will be based on the findings of an evaluation just completed of the SESPAS delivery system. Technical assistance will be provided to the project beginning in FY-1984 and, by the end of FY-1985, the Mission expects major components of the project to be well-underway and ready to be evaluated to determine its effect on productivity increase.

2. Advance the current health services financing dialogue with SESPAS. Building on USAID's current support to a pre-feasibility study of a pre-payment scheme for primary health care, policy dialogue will be continued on the initiation of user fees through a component of the Health Systems Management Project. Information will be gathered, projections of SESPAS financial resource needs will be made, and financial management systems required to support alternative financing schemes will be designed and initiated under the project. It is anticipated that, by the end of FY-1985, at least two trial alternative financing schemes will be initiated.

3. Improve coordination with other health sector donors. The Health Systems Management Project is expected to create a data base, and develop management systems essential to improved utilization of other donor inputs, particularly the capital resources available from the IBRD and BID, and also from French bilateral assistance. The Mission will track the progress of such utilization through encouragement for and participation in regularly scheduled meetings initiated under the auspices of the United Nations.

4. Increase availability of population information and family planning education and services. The private sector Institute for Population Studies (supported through an OPG), will complete its demographic studies and make available to key public decision-makers information on the impact of increasing population on labor, housing, food demand, and public health and nutrition services. A U.S.-based private organization will complete a contraceptive prevalence survey.

The public sector will be encouraged to continue sponsoring national and international conferences related to population activities and voluntary sterilization programs.

5. Key management steps to strengthen the Mission's health program management capacity. USAID is using contract assistance under an IQC arrangement, to design the Health Systems Management Project. A grant component of the project will finance technical assistance to implement the project, and it is expected that the two direct-hire and one FSN health advisors supported by Mission staff offices will be sufficient for monitoring the health and population program.

PARTICIPANT TRAINING

Participant training represents a significant portion of the overall program planned for FY-1984 and 1985. It is estimated that a total of 83 participants at a cost of \$2.3 million in FY-1984, and 91 participants at a cost of \$2.6 million in FY-1985 will be sent for training under USAID/DR's ongoing and planned program. These figures include projected participants to be sent under the various centrally funded projects, such as the LAC Training Initiatives Project and the CBI Scholarship Program.

DOMINICAN REPUBLIC
 FY-1985 ANNUAL BUDGET SUBMISSION
 TABLE IV --- PROJECT BUDGET DATA
 LATIN AMERICA AND THE CARIBBEAN

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)													
G L	OBLIG DATE	TOTAL COST AUTH PLAN	OBLIG THRU FY-82	PIPE- LINE	FY-1983		FY-1984		FY-85 AAFL	FUNDED THRU	FY-86 OBLIG	FY-87 OBLIG	FY-88 OBLIG	FY-89 OBLIG	ITEM NO.
					OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES							
AGRICULTURE															
0000		Program Development and Support (PD&S)													
G	62	C	8445	98	250	250	200	200	250	09/85	250	250	250	250	252
0116	L	76	77	15000	14874	1	-	1	-					264	
Agricultural Sector II															
0117	G	79	79	300	300	43	-	43	-					265	
Rural Development Analysis and Planning															
0124	G	79	80	269	269	5	-	5	-					272	
DDF/Small Farmer Credit Program (PVO)															
0125	G	81	83	800	1100	650	570	450	100					273	
Rural Development Management															
0126	G	81	84	500	500	250	184	200	100					274	
L	81	81	10500	10500	10500	-	10500	600	2500	07/85	-	-	-	275	
Natural Resources Management (NARMA)															
0130	L	79	80	10000	10000	2219	-	1419	-					278	
Rural Roads Maintenance I															
0135	G	79	79	200	200	1	-	1	-					282	
L	79	79	6000	6000	6000	5779	-	221	-					283	
African Swine Fever Eradication															
0144	G	82	84	3114	3114	356	900	310	-					288	
L	82	82	5268	5268	5268	-	-	-	-	04/87	-	-	-	289	
Energy Conservation and Resources Development															

ABS-

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM
OBLIG	TOTAL COST	OBLIG	FY-82	FY-1983	FY-1984	FY-85	FY-86	FY-87	FY-88	FY-89		
DATE	PLAN	THRU	PIPE	OBLIG-	EXPEND-	AAFL	THRU	OBLIG	OBLIG	OBLIG	NO.	
INIT	AUTH	FY-82	LINE	ATIONS	ITURES	THRU	OBLIG	OBLIG	OBLIG	OBLIG		
FIN		LINE		ATIONS	ITURES	THRU	OBLIG	OBLIG	OBLIG	OBLIG		
AGRICULTURE (Cont.)												
0150	Small Industry Development											
G 82 84	595 595	595	595	-	-	-	06/89	-	-	-	293	
L 82 84	3500 3500	3500	3500	-	250	-	-	-	-	-	294	
0155	Small Farmer Swine Production (OPG) (I) (R)											
G 81 83	420 420	287	29	133	162	-	-	-	-	-	301	
0156	Agricultural Policy Analysis											
G 84 85	2000 2000	-	-	-	-	900	12/88	-	-	-	302	
0159	On-Farm Water Management											
L 83 85	12000 12000	-	-	9600	-	2400	12/87	-	-	-	307	
0160	Agricultural Sector Training											
L 83 84	5000 5000	-	-	2000	-	-	12/84	-	-	-	308	
0162	Inland Fisheries II (OPG) (I) (R)											
G 82 84	277 277	76	30	150	100	-	09/85	-	-	-	311	
0173	Forestry Management											
G 84 85	- 1000	-	-	-	-	500	06/88	-	-	-	321	
L 84 86	- 12000	-	-	-	-	1000	06/88	-	-	-	322	
0177	Rural Roads Maintenance and Rehabilitation II											
G 84 84	- 125	-	-	-	-	-	-	-	-	-	-	
L 83 86	- 15000	-	-	2500	2000	4200	-	5000	-	-	1499	
0179	Savings Mobilization I											
G 83 84	- 500	-	-	250	50	-	-	-	-	-	-	

ABS-

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM					
G	L	OBLIG DATE	INIT	AUTH	TOTAL COST	OBLIG THRU FY-82	FY-82 PIPE-LINE	FY-1983		FY-1984		FY-85 FUNDED THRU	FY-86 OBLIG	FY-87 OBLIG	FY-88 OBLIG	FY-89 OBLIG	ITEM NO.
								OBLIG-ATTORNS	EXPEND-ITURES	OBLIG-ATTORNS	EXPEND-ITURES						
AGRICULTURE (Cont.)																	
0186 Agri-Business Promotion																	
	G	85	86	-	1000	-	-	-	-	-	-	500	-	-	-	-	-
	L	85	85	-	8500	-	-	-	-	-	8500	-	-	-	-	-	-
0187 Land Use Planning																	
	G	85	86	-	1000	-	-	-	-	-	500	-	-	-	-	-	-
	L	85	85	-	4000	-	-	-	-	-	4000	-	-	-	-	-	-
0192 Agricultural Policy Analysis II																	
	G	86	88	-	5000	-	-	-	-	-	-	3000	1000	1000	-	-	-
0193 Savings Mobilization II																	
	L	86	86	-	10000	-	-	-	-	-	-	10000	-	-	-	-	-
0196 Agri-Business Promotion II																	
	G	87	88	-	2000	-	-	-	-	-	-	-	1000	1000	-	-	-
	L	87	87	-	18000	-	-	-	-	-	-	-	18000	-	-	-	-
0200 Agricultural Resources Management																	
	G	88	88	-	2000	-	-	-	-	-	-	-	-	-	2000	-	-
	L	88	88	-	14000	-	-	-	-	-	-	-	-	-	14000	-	-
0203 Land Use Planning II																	
	G	89	89	-	1000	-	-	-	-	-	-	-	-	-	-	1000	-
	L	89	89	-	6000	-	-	-	-	-	-	-	-	-	-	6000	-

ABS-

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)															
G	L	OBLIG DATE	TOTAL COST AUTH PLAN	OBLIG THRU FY-82	PIPE LINE	FY-1983		FY-1984		FY-85 AAPT	FUNDED THRU	FY-86 OBLIG	FY-87 OBLIG	FY-88 OBLIG	FY-89 OBLIG	ITEM NO.	
						OBLIG-ATIONS	EXPEND-ITURES	OBLIG-ATIONS	EXPEND-ITURES								
AGRICULTURE (Cont.)																	
0204			Agricultural Export Marketing														
G	89	-	2000	-	-	-	-	-	-	-	-	-	-	-	2000	-	
L	89	-	15000	-	-	-	-	-	-	-	-	-	-	-	15000	-	
9999			Proposed OFGs														
G	62	C	-	-	-	-	99	50	175	-	-	200	200	250	300	-	
				75743	194168	61545	23910	16433	5612	21533	12980	22925	-	19450	20450	18500	24550
AGRICULTURE TOTAL																	
TOTAL GRANTS				8475	24400	11403	1911	2333	1121	4233	2590	2825	-	4450	2450	4500	3550
TOTAL LOANS				67268	169768	50142	21999	14100	4491	17300	10390	20100	-	15000	18000	14000	21000

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)											ABS-	
	OBLIG	FY-82	FY-83	FY-84	FY-85	FY-86	FY-87	FY-88	FY-89	ITEM			
G DATE	TOTAL COST	THRU	EXPEND-	EXPEND-	EXPEND-	FUNDED	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	NO.	
L INIT FIN	AUTH	FLAN	ATIONS	ITURES	ATIONS	THRU	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG		
HEALTH (Cont.)													
0205	Applied Research in Vector Control												
G 89	-	-	-	-	-	-	-	-	-	-	-	500	
9999	Proposed OFGs												
G 78	-	-	370	-	-	100	150	250	250	200	200	328	
HEALTH TOTAL	9090	16785	9404	4573	579	2731	2424	3532	1875	1875	1250	1150	900
TOTAL GRANTS	1090	3785	1404	486	579	631	424	545	375	375	1250	1150	900
TOTAL LOANS	8000	13000	8000	4087	-	2100	2000	2987	1500	1500	-	-	-

ABS-

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)											ITEM					
OBLIG		FY-1983			FY-1984			FY-1985			FY-1986		FY-1987		FY-1988		FY-1989	
G	L	DATE	TOTAL COST	PIPE- OBLIG- ACTIONS	EXPEND- ITURES	OBLIG- ACTIONS	EXPEND- ITURES	OBLIG- ACTIONS	FUNDED THRU	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	NO.
		INIT	PLAN	LINE														
EDUCATION (Cont.)																		
0198 Rural Education II																		
G	87	88	-	1000	-	-	-	-	-	-	-	-	-	-	800	200	-	-
L	87	88	-	9500	-	-	-	-	-	-	-	-	-	4500	5000	-	-	-
0202 Private Sector Vocational/Technical Education																		
G	88	88	-	1000	-	-	-	-	-	-	-	-	-	-	-	1000	-	-
L	88	88	-	4000	-	-	-	-	-	-	-	-	-	-	-	4000	-	-
0206 Fiscal Management Training																		
G	89	89	-	1000	-	-	-	-	-	-	-	-	-	-	-	-	-	1000
L	89	89	-	7500	-	-	-	-	-	-	-	-	-	-	-	-	-	7500
9999 Proposed ORGs																		
G	-	-	-	-	-	-	-	-	-	100	70	125	-	100	230	300	100	326
EDUCATION TOTAL																		
			13332	59332	13212	7220	950	2453	6321	3481	5825	-	7450	7650	11700	8800		
TOTAL GRANTS																		
			1582	14582	1462	1029	950	780	2321	1223	2825	-	2450	3150	2700	1300		
TOTAL LOANS																		
			11750	44750	11750	6191	-	1673	4000	2258	3000	-	5000	4500	9000	7500		

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)												ABS-					
OBLIG		FY-82			FY-1983			FY-1984			FY-85			FY-86	FY-87	FY-88	FY-89	ITEM	
G	L	DATE	TOTAL COST	THRU	OBLIG	EXPEND	OBLIG	EXPEND	OBLIG	EXPEND	APPL	THRU	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	NO.	
		INIT FIN	PLAN	FY-82	LINE	THRU	THRU	THRU	THRU	THRU	THRU	THRU	THRU	THRU	THRU	THRU	THRU		
SELECTED DEVELOPMENT ACTIVITIES (Cont.)																			
0199			Small Enterprise Development																
G	87	88	-	1500	-	-	-	-	-	-	-	-	-	800	700	-	-	-	
L	87	88	-	10000	-	-	-	-	-	-	-	-	-	4700	5300	-	-	-	
						SUBCAT: SDPE								TECHNICAL CODE: (840)					
0207			Export Promotion II																
G	89	89	-	500	-	-	-	-	-	-	-	-	-	-	-	-	500	-	
L	89	89	-	7000	-	-	-	-	-	-	-	-	-	-	-	-	7000	-	
						SUBCAT: SDPE								TECHNICAL CODE: (840)					
9999			Proposed OPGs																
G	78	C	-	-	-	-	112	75	224	100	250	500	300	316					
						SUBCAT: SNZZ								TECHNICAL CODE: (890)					
SMA TOTAL	1113L	4213L	9876	7641	2488	1423	672	3282	1750	6400	8575	9325	8125						
TOTAL GRANTS	3081	9081	3326	1091	988	1023	672	1282	1750	1400	2375	2525	1125						
TOTAL LOANS	8050	33050	6550	6550	1500	400	-	2000	-	5000	6200	6800	7000						

ABS-

PROJECT NUMBER AND TITLE	OBLIG DATE	TOTAL COST AUTH	OBLIG THRU FY-82	FY-1983		FY-1984		ESTIMATED U.S. DOLLAR COST (\$000)					FY-89 OBLIG	FY-88 OBLIG	FY-87 OBLIG	FY-86 OBLIG	FY-85 FUNDED THRU	FY-84 APL	ITEM NO.
				OBLIG-ATIONS	EXPEND-ITURES	OBLIG-ATIONS	EXPEND-ITURES	FY-85	FY-86	FY-87	FY-88	FY-89							
DEVELOPMENT ASSISTANCE																			
PROGRAM TOTAL	109703	313623	94148	43455	20763	12486	31000	23397	32500	-	35300	38100	40900	42600					
TOTAL GRANTS	14635	53055	17706	4628	5163	3822	7700	5762	7900	-	8800	9400	11100	7100					
TOTAL LOANS	95068	260568	76442	38827	15600	8664	23300	17635	24600	-	26500	28700	29800	35500					

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)											ABS-				
G	L	OBLIG DATE	TOTAL COST	AUTH	PLAN	OBLIG THRU FY-82	PIPE LINE	FY-1983		FY-1984		FY-85	FY-86	FY-87	FY-88	FY-89	ITEM NO.
								OBLIG-ATIONS	EXPEND-ITURES	OBLIG-ATIONS	EXPEND-ITURES						
ECONOMIC SUPPORT FUNDS																	
0171			Private Enterprise Sector Development														
L	82	82	41000	41000													
0183			Mineral Resources Exploration														
G	84	-	-	5000													
0184			Tourism Expansion														
L	84	86	-	15000													
0185			Public Sector Services Support														
L	84	89	-	155000													
0186			Agri-Business Promotion														
L	84	86	-	30000													
0190			Export Investment and Expansion														
L	84	85	-	30000													
0191			Technical Consultancies and Training														
G	85	89	-	15000													
0195			Production and Employment Generation														
G	86	89	-	10000													
ESF TOTAL AUTH.			41000	301000	41000	-	-	-	40000	21000	50000	45000	50000	40000	35000		
TOTAL GRANTS			-	30000	-	-	-	-	5000	500	5000	5000	5000	5000	5000		
TOTAL LOANS			41000	271000	41000	-	-	-	35000	20500	45000	40000	35000	30000			

ABS-

PROJECT NUMBER AND TITLE	OBLIG DATE	TOTAL COST AUTH PLAN	OBLIG THRU FY-82	ESTIMATED U.S. DOLLAR COST (\$000)										FY-89 OBLIG	ITEM NO.
				FY-82 PIPE LINE	FY-1983 OBLIG- ACTIONS	FY-1983 EXPEND- ITURES	FY-1984 OBLIG- ACTIONS	FY-1984 EXPEND- ITURES	FY-85 FUNDED THRU AAPL	FY-86 OBLIG	FY-87 OBLIG	FY-88 OBLIG	FY-89 OBLIG		
TOTAL DA AND ESF	150703	614623	135148	43455	20763	12486	71000	44397	82500	85300	83100	80900	77600		
GRANTS	14635	83055	17706	4628	5163	3822	12700	6262	12900	13800	14400	16100	12100		
LOANS	136068	531568	117442	38827	15600	8664	58300	38135	69600	71500	68700	64800	65500		

NEW PROJECT NARRATIVE

TITLE: Agricultural Policy Analysis

NUMBER: 517-0156

PROPOSED FUNDING (\$000):

FY-1984: 1,100 (G)

LOP : 2,000 (G)

APPROPRIATION ACCOUNT: DA

PURPOSE: To support food and other agricultural production by analyzing key policy issues and constraints, and by recommending to the policy makers appropriate policy revisions.

PROBLEMS TO BE ADDRESSED: Analyses of principal agricultural products show that Dominican agriculture stagnated during the 1970's. There are growing evidences that this stagnation is a result of faulty policy measures rather than natural disasters. Price and exchange rate policies appear to be the main variables explaining this stagnation. GODR price policies have either ignored the effects of inflation on agricultural prices or attempted to combat inflation through agricultural price controls, which have been costly in terms of loss of agricultural outputs. An over-valued official exchange rate not only became a tax on export products, but introduced a bias towards imports. Price support agencies that import food at the official exchange rate received a large financial benefit from the subsidized imports. Subsidized interest rates on Agricultural Bank loans and

subsidized inputs have done little to offset the adverse effects of price and exchange rate policies.

PROPOSED MEANS TO ADDRESS THE PROBLEM: The GODR has recognized the need to revise the current policy as a pre-requisite to production increases. The proposed project will seek to develop an adequate capacity to provide unbiased policy analyses to decision-makers. To assure the capacity to use this analysis, formal and non-formal training will be made available to policy decision-makers. The basic activity will be the development of a GODR Agricultural Policy Analysis Unit, which will require a core staff of well-trained economic, agricultural economic, and statistical analysts. Short-term technical assistance and on-the-job training will be provided to the core staff in order to reach project objectives. Some analysts (4 to 6 at a cost of about \$25,000) will receive overseas training to ensure the number of critical professionals necessary for long-range development. Local educational institutions will also be utilized in training technicians from the public and private sectors. Seminars and workshops will be offered to policy makers as a means to improve their understanding of policy matters affecting the agricultural sector in the Dominican Republic.

The proposed project is consistent with AID support of policy dialogue, and the objective of helping the GODR to reach its goals of self-sufficiency in food production for domestic as well as foreign markets. Both domestic substitution of imports and increased exports of agricultural products represent promising opportunities to expand

agricultural production to improve the nation's balance of payments situation, and to expand the economic opportunities of the nation's large number of small farmers.

TARGET GROUP: The development of an agricultural policy analysis capability will result in positive benefits for farmers, intermediaries, processors, and consumers. The immediate benefits of food policy changes will accrue to producers, while long-run benefits will accrue to all participants, particularly consumers. Specifically, the small commercial farmers, who are the focal point of the AID agricultural strategy, will benefit from food pricing policy changes by increasing production to replace the agricultural products currently imported (mainly corn, sorghum, oil seed, and rice). In addition, adequate incentives provided through policy changes will likely increase the quantity, variety, and quality of Dominican agricultural exports.

SPECIAL CONCERNS: Policy dialogue, private sector, and institutional building.

NEW PROJECT NARRATIVE

TITLE: Forestry Management

NUMBER: 517-0173

PROPOSED FUNDING (\$000):

FY-1984: 11,000 (L), 500 (G)

FY-1985: 1,000 (L), 500 (G)

LOP : 12,000 (L), 1,000 (G)

APPROPRIATION ACCOUNT: ARDN

PURPOSE: To increase the capacity of public and private institutions to manage forest resources, which will lead to a reversal of deforestation and the rational utilization of wood, wood products, and charcoal.

PROBLEMS TO BE ADDRESSED: While 65% of the area of the Dominican Republic is classified as ecologically sound for range and forest production (i.e., not cultivable), forestland is producing only 2% of its forest product potential. The nation annually imports about \$100 million of forest products, which could be replaced with local production by private producers within less than a decade. Also, improved management of charcoal producing areas could free four-fifths of the land for production of other forestry and livestock products.

PROPOSED MEANS TO ADDRESS PROBLEMS: The proposed project would build upon the experience gained with the implementation of an AID-financed Natural Resources Management Project (517-0126), initiated in FY-1982, which is establishing land use policies, preparing national

plans for the exploitation of natural resources in accordance with use capabilities, and training technicians in the areas of resource management and forestry. The objectives of the proposed project include: reforestation of 35,000 acres of forestland with firewood, charcoal, and lumber species; establishment of a system to deliver technical assistance to farmers located in critically affected forest and range areas. Major project activities would include: reforestation on national and private land, establishment of tree nurseries, training and technical assistance to strengthen institutional capability to conduct resource assessments and research, delivery of technical assistance to farmers, and training of farmers and GODR personnel.

RELATIONSHIP OF PROJECT TO AID COUNTRY STRATEGY: The proposed project is consistent with two AID strategies: (1) to increase agricultural production, and (2) to provide alternative energy sources. It also is highly complementary to two AID-sponsored programs, which involve conservation of soil and water on hillside farms and investigation of tree species for firewood and charcoal. The Forestry Management project would further the AID strategy to promote the rational exploitation and conservation of natural resources, and thereby contribute to greater food and energy independence, foreign exchange savings, and an enhanced standard of living for both rural and urban population.

The GODR is seeking the participation of international donors for a series of inter-related programs involving energy production and resource conservation. Given the high priority assigned to these programs, there is considerable assurance of continuing GODR

counterpart funding for operational expenditures associated with the proposed project.

TARGET GROUP: The primary beneficiaries of the project will be the thousands of rural laborers involved in reforestation and tree harvesting; farmers involved in production of wood, charcoal, and livestock, who hitherto have been ignored by agriculture development programs; individuals involved in transportation, transformation, and distribution of forestry and livestock products; and rural people who rely on wood or charcoal for meeting their fuel needs.

SPECIAL CONCERNS: Private sector, institutional capability, training, technology transfer, and environment preservation.

NEW PROJECT NARRATIVE

TITLE: Mineral Resources Exploration

NUMBER: 517-0183

PROPOSED FUNDING (\$000):

FY-1984: 5,000 (G)

LOP : 5,000 (G)

APPROPRIATION ACCOUNT: ESF

PURPOSE: To conduct exploration of mineral resources for the purpose of increasing mineral exports.

PROBLEMS TO BE ADDRESSED: Squeezed between the petroleum price increase and sugar price decrease, the balance of payments situation has deteriorated markedly in recent years. The 1980-1982 average B/P current account deficit rose to \$512 million from the \$320 million level in 1978-1979. The overall B/P deficit nearly doubled to an estimated \$310 million in 1982 from \$160 million in 1981. The 1982 import level was reduced by 14% from the 1981 level. The reduction in exports as well as imports has caused slowdown in economic activities that resulted in no real growth in 1982. The Dominican Republic needs to earn more foreign exchange if it is to restore its economy to the growth path.

During the past five years, mineral exports averaged about 30% of the value of all goods exported. The minerals consist of mainly gold, silver, ferronickel, and bauxite. The country appears to have considerable untapped potential in mineral development. Preliminary

studies suggest significant copper deposits in the central part of the island, and the possibility of significant copper and manganese further to the west. Alluvial gold occurs in various parts of the island, and various non-metallic minerals are abundant in the southwest. The recent discovery of commercially exploitable lignite deposits holds out a good possibility for a reduction in oil imports, and exploration drilling for petroleum is being undertaken in several parts of the island, thus far without success.

Overall, the mining sector possesses considerable potential as a source of future output and foreign exchange earnings or savings. Its potential as a major source of employment is limited, and its heavy capital requirements are likely to have to be obtained from external sources.

PROPOSED MEANS TO ADDRESS PROBLEMS: This project aims at producing a complete classification of all mineral resources in the Dominican Republic as to the type, location, estimated reserve quantity and quality, and commercial viability. It is expected that this classification will become a base for attracting foreign private investment. The project is a four to five year exploration study by probably the USGS. In addition to the exploration, this project will assist the GODR to review and reform the mining sector to meet its future need.

TARGET GROUP: The Dominican economy as a whole will benefit from this project through increased mineral exports, if commercially viable reserves were found and exploited. Although employment is not

expected to increase much, for those who engage in the mineral exploration will benefit directly from this project.

SPECIAL CONCERNS: Technology transfer and institution building.

NEW PROJECT NARRATIVE

TITLE: Agri-Business Promotion

NUMBER: 517-0186

PROPOSED FUNDING (\$000):

FY-1984: 8,500 (L), 500 (G)

FY-1985: 10,000 (L/ESF) -

LOP : 38,500 (L), 1,000 (G)

APPROPRIATION ACCOUNT: ARDN/ESF

PURPOSE: To increase agro-industrial production for the domestic and export markets.

PROBLEMS TO BE ADDRESSED: The importance of the agricultural sector as a source of employment, output for domestic consumption, and export earnings is substantial. Some 2.8 million people live in rural areas in 340,000 farm families. Agriculture directly employs 62% of the nation's employed labor force. Domestic consumer expenditures for food amount to some \$860 million, of which 80% is produced domestically. Furthermore, 70-80% of Dominican merchandise exports consist of agricultural products. Nevertheless, the agricultural sector's direct contribution to GDP has been declining, and in 1981 stood at 18% of the total.

Within the agricultural sector, the sugar industry is by far the key component. The 1981 export value of sugar and its derivatives totaled US\$560 million, some 47% of the total value of exports that year. Due to plummeting world market prices, export value for sugar

was estimated at only US\$309 million for 1982, down to 40% of total export earnings.

In 1982, the Dominican Republic exported DR\$14 million in vegetables and root crops, DR\$10 million in fruits and products, and DR\$12 million in other agro-industrial products for a total of DR\$36 million. This volume of exports was based, to a large extent, on a few random projects, and without an adequate program to promote investment in agro-industrial projects. For example, one company accounts for about \$3 million in okra exports and another for \$4.5 million in guandul and fruit product exports.

Investment and development in non-traditional agro-industrial activities have been limited by the lack of any concerted program, and by an investment climate which is not always favorable. For example:

1. Foreign investment in agriculture is not promoted, and most of the best land is utilized for traditional crops, particularly sugar.

2. Even though non-traditional crops might provide much more foreign exchange and diversification away from sugar (albeit with no new job creation), these projects are discouraged if they require shifting cultivated sugar land to other crops. For example, in the case of a pineapple project, it was estimated that, while a tarea of sugar would generate \$45 (at current world prices) to \$90 in foreign exchange, a tarea of pineapple would earn \$500.

3. Although credit is available and feasibility studies are being performed (in FIDE), these are of limited value as long as the investment climate is basically hostile.

4. Improvements, for example, in cold storage and fumigation facilities, in warehouses, in packaging materials, and in transportation links (to reduce costs and increase frequency of service), are needed.

PROPOSED MEANS TO ADDRESS PROBLEMS: The Dominican public and private sectors will be involved in several ways:

1. Through policy dialogue, the project aims at creating a favorable export climate for private investment in productive agriculture and agri-business processing facilities, by changing the foreign exchange surrender requirement.

2. Through financing, for example, by providing credit for investments in plant and equipment.

3. Through technical assistance to identify new market and investment opportunities, in pre-feasibility or feasibility studies, in solving operational or managerial problems with ongoing projects, etc.

4. In training activities, whereby agro-business firms extend advice to small growers to introduce new varieties or farming techniques, etc.

5. In services such as the provision of agricultural inputs to small growers.

It is possible that the project would focus on the production and processing of a limited number of high potential, labor intensive crops for sale domestically or for export. The project might also be closely linked to other activities in the area of land use planning.

TARGET GROUP: The target group would be small- and medium-sized firms or cooperatives. The benefits of agro-industry are well known. In addition to generating foreign exchange and employment, there are other important impacts, such as: providing a stable market outlet for crops produced by small farmers; transferring technology; supporting a viable rural economy (e.g., incomes above subsistence level); encouraging investment in integrated projects involving land preparation, cultivation, processing, and marketing; and reducing the country's dependence on sugar exports.

One of the main outputs of the project would be the direct and indirect employment created by the stimulation of new investment in rural areas.

SPECIAL CONCERNS: Private sector, policy dialogue, and technology transfer.

NEW PROJECT NARRATIVE

TITLE: Land Use Planning

NUMBER: 517-0187

PROPOSED FUNDING (\$000):

FY-1984: 4,000 (L), 500 (G)

LOP : 4,000 (L), 1,000 (G)

APPROPRIATION ACCOUNT: ARDN

PURPOSE: To conduct agronomic (soil and crop) investigation and market studies of alternative crops which may be suitable for exports, and to produce non-traditional commodities on a commercial scale.

PROBLEMS TO BE ADDRESSED: The Dominican economy is overly dependent on earnings from sugar exports. The boom and bust cycles of the international sugar market in recent years have caused major disruption in the financial condition of the nation. Moreover, there is little prospect for improvement in the market for sugarcane now that technological break-throughs have been made in the production of high fructose corn syrup, which apparently can be produced at a lower unit cost. Furthermore, the area of land involved in sugarcane and cattle production represents half of all the island's farmland and, therefore, holds promise for generating considerable income if used for the production of export and non-traditional commodities. Yet, despite the bleak outlook for the sugar market, the GODR has not undertaken systematic studies to identify economically and technically feasible

uses for the large areas of mostly public land devoted to sugarcane production and extensive cattle grazing.

A program is now underway to improve the efficiency and productivity of State sugar mills (which now produce about two-thirds of the national sugar crops), and which is expected to result in the removal of considerable land from sugarcane production in the coming years. This will directly affect the 3,000 small- and medium-sized independent producers (outgrowers) of sugarcane, who now account for almost half the sugarcane delivered to State mills. The loss of market for these outgrowers represent a serious threat to their livelihood unless technically and economically feasible crops other than sugarcane can be produced on their land.

PROPOSED MEANS TO ADDRESS PROBLEMS: The proposed project is in accordance with Agency policy directives concerning the role of the private sector and the transfer of technology, and will be designed with explicit attention to possibilities for export promotion and employment generation, which are important objectives of the Mission CDSS.

The specific problem to be addressed by this AID project is the identification of alternative crops that can be produced in the areas which are devoted to sugarcane and cattle grazing, and the conduct of agronomic investigation and marketing studies of alternative crops.

In line with Agency research priorities, the proposed project would support adaptive research on mixed farming--livestock systems which are adapted to marginal soil/rainfall conditions. The project

will develop the GODR institutional capability to undertake research that is oriented toward increasing production, employment, and income. It also will undertake demonstrations of improved farming systems within the confines of outgrowers' farms. Financing of production credit and other costs, e.g., equipment and on-farm investment, will be provided to individual producers and/or groups of producers through existing associations and cooperative enterprises. In addition, technical and managerial assistance will be provided to the Federation of Outgrowers' Associations to improve its capability to serve members' needs for credit and technical assistance. The project will also provide practical training in agricultural sciences for the members and staff of the associations.

TARGET GROUP: The direct beneficiaries of a sugar diversification program will be the 3,000 independent outgrowers who cultivate 38,000 hectares or an average of 12.5 hectares per farm, and the thousands of agriculture workers who eventually could be employed in the production of non-traditional export crops. The principal institutions involved will be the Federation of Outgrowers' Associations, the State Sugar Council, the Secretariat of State for Agriculture, the Agrarian Institute, and the Agricultural Bank.

SPECIAL CONCERNS: Private sector, institution building, and technology transfer.

NEW PROJECT NARRATIVE

TITLE: Policy Analysis Training

NUMBER: 517-0188

PROPOSED FUNDING (\$000):

FY-1985: 500 (G)

LOP : 3,000 (G)

APPROPRIATION ACCOUNT: HRD

PURPOSE: To provide advanced training in various fields of economics, business, and international development affairs.

PROBLEMS TO BE ADDRESSED: The economic analytical capability at the highest level of the GODR staff needs to be augmented at the earliest possible time. This project is designed to provide training of highly competent economists, business analysts, and international development affairs specialists to provide timely and appropriate analysis of important issues to policy decision-makers.

One of the major problems for the Dominican policy makers is the lack of analytical support for making policy decisions. Important policy decisions have been decided frequently without appropriate analysis. Some analyses and recommendations for policy changes have been performed by experts from multilateral institutions. These include foreign exchange, budget deficits, interest rate, and balance of payments policies. However, many other important policy decisions have been undertaken by GODR policy makers without the benefit of foreign consultations. It has been a major concern of IMF, IBRD, and

AID that such policy decisions have often been based on insufficient amount of appropriate analysis, and thus often led to unexpected results. For example, while policy makers insist that the government supports a more active role by the private sector in restoring the economy, new laws and decrees often increase bureaucratic interferences rather than market forces. One of the most important policy decisions for the acceleration of economic recovery is how to attract foreign investment. Most GODR and private sector leaders agree that more foreign investment is necessary, but there seems to be a lack of concrete action programs to show how and what ways the Dominican Republic will benefit from foreign investment. The net result is disappointing.

The need for improving analytical capability among Dominican experts has never been greater.

PROPOSED MEANS TO ADDRESS PROBLEMS: Given the importance of policy dialogue, USAID/DR considers this training program to be a major component of its long-run development strategy in the Dominican Republic. We plan to provide training opportunities each year to 8-12 highly qualified Dominicans in the top 25 U.S. universities for Ph.D. or post-doctorate work in all fields of economics, business, and international affairs. The main criterion for the selection of candidates is scholastic excellence regardless of their current occupation--be they in the public or private sectors. The only condition for acceptance of this training opportunity is that the candidate must come back to the Dominican Republic after the

completion of the study, and must engage in an occupation that utilizes his/her training, preferably with a policy making organization. The program is expected to last for five years (average three years for each candidate), with candidates beginning to return in the fourth year and ending at the eighth year of the program.

TARGET GROUP: Economic benefits will be derived from policy changes that will come about from analyses conducted by the experts trained under this project. Although individuals trained will receive direct benefits in the form of higher human capital, the Dominican economy, in the end, will receive more benefits in the form of rapid growth and higher efficiency.

SPECIAL CONCERNS: Economic policy, policy dialogue, and training.

NEW PROJECT NARRATIVE

TITLE: Center for Dominican Governmental Affairs

NUMBER: 517-0189

PROPOSED FUNDING (\$000):

FY-1985: 500 (G)

LOP : 1,000 (G)

APPROPRIATION ACCOUNT: ED

PURPOSE: To assist in institutionalizing the Dominican democratic process through the provision of non-partisan support services to the legislative branch.

PROBLEMS TO BE ADDRESSED: The institutionalization of the Dominican multi-party democratic process can be traced to the 1978 election when, for the first time since 1966, a major opposition party participated in the presidential elections and 60% of the registered voters exercised their rights. When presidential and congressional elections were held again in 1982, 78% of the voters participated. The 1982 Congress is composed of 90% freshmen legislators.

For the legislative branch to become an active participant in a multi-party democratic process, its members must possess the capability to analyze and act upon a large number of policy issues ranging from national budgets and developmental activities to international loans. Yet, the dilemma of popularly elected legislatures is that their members often do not have substantive policy backgrounds or have only minimal awareness of parliamentary procedures. This problem

becomes more acute due to massive turnovers which leaves little overall institutional memory to aid new incoming legislators. Furthermore, many legislators do not have staff to whom they can turn for assistance.

A Universidad Católica Madre y Maestra (UCMM)-sponsored seminar held in FY-1982, to discuss parliamentary procedures and the Dominican Constitution, resulted in Dominican legislators becoming more aware of the lack of policy relevant data and the means to analyze such data.

PROPOSED MEANS TO ADDRESS PROBLEMS: This project proposes to build on the results and experiences of the 1982 UCMM-sponsored seminar, which was strongly endorsed by both political parties, and provided a non-partisan forum for establishing professional legislative relationships. The project will, through UCMM, fund a permanent legislative support center to be housed at the Dominican Congress with the following services:

1. Seminars -- to assist legislators in analyzing complex policy issues and keep abreast of current issues. Three workshops will be offered to each house every year, and two seminars will be offered for the 1986 legislators. Some off-shore orientation visits to similar legislatures for familiarization purposes will also be offered.

2. Documentation Center -- to provide a reference center to legislators. A collection of policy documents, executive reports, census data, economic and administrative journals, and other relevant research data will be developed and made available.

3. Internships -- to provide staff assistance to Congressmen. Legislative internships will be offered annually to outstanding college-age Dominican students for the purpose of exposing capable and interested individuals to the legislative process.

4. Publications -- to highlight and address areas of academic legislative concern for comparative as well as historic purposes, legislative journals will be published.

TARGET GROUP: The prime beneficiaries of this project will be the Dominican legislators, who will gain a greater understanding of their roles and responsibilities in a democratic pluralistic multi-party system. The optimal result will be a more effective deliberative legislative branch of the government, capable of strengthening the democratic process.

SPECIAL CONCERNS: Policy dialogue, institutional development, and training.

NEW PROJECT NARRATIVE

TITLE: Export Investment and Expansion

NUMBER: 517-0190

PROPOSED FUNDING (\$000):

FY-1985: 10,000 (L/ESF), 1,000 (G)

LOP : 38,000 (L), 4,000 (G)

APPROPRIATION ACCOUNT: SDA/ESF

PURPOSE: To increase exports of non-traditional products.

PROBLEMS TO BE ADDRESSED: The Dominican Republic is currently experiencing serious economic problems. The balance of payment deficit averaged DR\$512 million between 1980-1982; it is projected at DR\$275 million in 1983. The trade deficit averaged DR\$430 million over the past three years, compared to DR\$67.3 million in 1977; it is projected at DR\$320 million in 1983. The fiscal deficit is projected at DR\$200 million in 1983. Open unemployment is estimated at between 22% and 26% of the labor force.

Foreign exchange earnings and fiscal receipts cannot be substantially increased nor can new jobs be generated substantially by exports of traditional commodities and/or by increased production for the domestic market. The Dominican Republic needs to increase exports of non-traditional, labor intensive products.

PROPOSED MEANS TO ADDRESS PROBLEMS: Solutions to the problems are complex, and will require a broad variety of activities with both the public and private sectors. Five areas represent important

opportunities: agro-industry, re-export industries (free zones), small industries, tourism, and mining. The Mission plans to work with government agencies (e.g., the new Commission for the Promotion of Foreign Investment, CEDOPEX, and ONAPLAN) and private organizations (e.g., the Consejo Nacional de Hombres de Empresas, the Association of Dominican Exporters, the American Chamber of Commerce, and various trading and financing organizations) to undertake activities such as the following:

1. Policy analysis aimed at improving the climate for investment and exports will be undertaken, including examinations of exchange rate policies, foreign investment laws, the tariff and tax structures, and export credit and banking mechanisms.

2. Investment promotion, aimed at attracting foreign capital and stimulating domestic investment in export-oriented agricultural or industrial projects, will be undertaken. In this regard, attempts will be made to develop production sharing or sub-assembly arrangements between U.S. and Dominican firms; and governmental and private organizations responsible for assisting foreign investors will be upgraded through technical assistance and training programs.

3. Research and identification of investment opportunities aimed at developing new markets for Dominican products will be undertaken. Technical assistance and training will be provided to the agro-industrial and manufacturing producers to enable them to adapt their products to the export market. Trading companies might also be assisted through the provision of technical assistance to obtain

market intelligence as well as to assist in the operational aspects of their businesses. In this regard, trading companies could be especially useful for small industries which lack the capacity to identify new markets and to export sufficient quantities to obtain reduced transportation rates.

4. Special studies may be undertaken and technical assistance provided, for example, in areas such as tourism and mining to identify opportunities for foreign investment.

5. Administrative improvements and institutional upgrading of private and public groups, so as to improve the services they are able to offer. Of particular concern are the public agencies, which are focussed more on regulating and controlling than on facilitating exports.

TARGET GROUPS: The benefits to be derived from this project include increased earnings of foreign exchange and employment generation. Small- and medium-sized enterprises, as well as public and private organizations, will be the direct beneficiaries of the activities proposed.

SPECIAL CONCERNS: Policy dialogue, private sector, technology transfer, and institutional building.

NEW PROJECT NARRATIVE

TITLE: Technical Consultancies and Training

NUMBER: 517-0191

PROPOSED FUNDING (\$000):

FY-1985: 5,000 (G)

LOP : 15,000 (G)

APPROPRIATION ACCOUNT: ESF

PURPOSE: To provide off-shore training opportunities, as well as availability of off-shore expertise to public and private sector decision-makers in key development areas.

PROBLEMS TO BE ADDRESSED: In the process of identifying the needs of the public and private sectors for implementation of our export expansion, agri-business promotion, and small industry development strategies, as well as furthering our attempts to encourage policy reform in support of these strategies, it is anticipated that the lack of well-trained staff analysts for decision-makers will be a major constraint to successful implementation. Export expansion will require capabilities in identifying markets, and assuring that products meet market demand, both in terms of quality and price. Agri-business promotion will require linkages of the agricultural sector to the export sector with clear identification of all aspects, including processing, transporting, and marketing of the end product. As the small industries shift from a strategy of import substitution with a focus on the domestic market to a strategy of export promotion,

a new knowledge of production processes and marketing will be required.

In the public sector, as the economy shifts towards increasing exports, certain policy reforms will be required. Public decision-makers, not having had prior experience in implementing such reforms, would be ill-equipped to do so.

PROPOSED MEANS TO ADDRESS THE PROBLEM: Once the type and dimensions of the needs for training and assistance are more clearly identified, this project will provide the following mechanisms to meet those needs: off-shore technical assistance (short- and long-term), and off-shore training (short- and long-term). Areas of consultancies and training might include: investment promotion and management; customs and income tax administration; food processing, transport, and marketing; industrial production and marketing; management and training of employees; and investment law reform and administration.

TARGET GROUP: The primary target group will be the Dominican entrepreneurs which are moving into the export sector. Secondary beneficiaries will be the employees of those entrepreneurs as private sector production increases. In addition, public sector decision-makers will benefit from the training and thereby perform more effectively in implementing policy reform.

SPECIAL CONCERNS: Technology transfer, private sector policy dialogue, and training.

FY-1985 ANNUAL BUDGET SUBMISSION

TABLE V -- FY-1985 PROPOSED PROGRAM RANKING					COUNTRY: DOMINICAN REPUBLIC		
PROGRAM ACTIVITY					PROGRAM FUNDING		
RANK	NUMBER	DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	(\$000)	
						INCR	CUM
	517-						
1.	0190	Export Investment & Expansion	N	L	ESF	10000	10000
2.	0186	Agri-Business Promotion	N	L	ESF	10000	20000
3.	0185	Public Sector Services Support	N	L	ESF	25000	45000
4.	0000	Program Development & Support	O	G	FN	250	45250
5.	0000	Program Development & Support	O	G	SD	200	45450
6.	0000	Program Development & Support	O	G	EH	200	45650
7.	0000	Program Development & Support	O	G	HE	154	45804
8.	0191	Technical Consultancies	N	G	ESF	5000	50804
9.	0190	Export Investment & Expansion	N	G	SD	1000	51804
10.	0186	Agri-Business Promotion	N	G	FN	500	52304
11.	0187	Land Use Planning	N	G	FN	500	52804
12.	-	PL-480 Title I	O	L	PL	(22000)	52804
13.	-	PL-480 Title II Nutrition (MCH)	O	G	P2	(1515)	52804
14.	-	PL-480 Title II Rural Dev. (FFW)	O	G	P2	(1056)	52804
15.	0156	Agricultural Policy Analysis	O	G	FN	900	53704
16.	0189	Center Dominican Governmental Affairs	N	G	EH	500	54204
17.	0150	Small Industry	O	G	SD	83	54287
18.	0173	Forestry Management	O	G	FN	500	54787
19.	0157	Management Training	O	G	EH	1100	55887
20.	0172	Rural Education	O	G	EH	400	56287
21.	0000	Program Development & Support	O	G	PN	25	56312
22.	9999	Proposed OPGs	O	G	PN	100	56412
23.	0174	Health and Nutrition (OPG)	O	G	HE	121	56533
24.	0164	Housing/Appropriate Technology	O	G	SD	143	56676
25.	0159	On-Farm Water Management	O	L	FN	2400	59076
26.	0177	Rural Roads Maintenance II	O	L	FN	4200	63276
27.	0172	Rural Education	O	L	EH	2000	65276
28.	0173	Forestry Management	O	L	FN	1000	66276
29.	-	PL-480 Title II Nutrition (PS)	O	G	P2	(117)	66276
30.	0188	Policy Analysis Training	N	G	EH	500	66776
31.	0153	Health Systems Management	O	L	HE	1500	68276
32.	0050	Special Development Activities Fund	O	G	SD	100	68376
33.	0186	Agri-Business Promotion	N	L	FN	5000	73376
34.	0187	Land Use Planning	N	L	FN	2000	75376
35.	-	PL-480 Title II Nutrition (OCH)	O	G	P2	(160)	75376
36.	9999	Proposed OPGs	O	G	SD	224	75600
37.	9999	Proposed OPGs	O	G	FN	175	75775
38.	9999	Proposed OPGs	O	G	EH	125	75900
39.	9999	Proposed OPGs	O	G	HE	100	76000
40.	0172	Rural Education	O	L	EH	1000	77000
41.	0186	Agri-Business Promotion	N	L	FN	3500	80500
42.	0187	Land Use Planning	N	L	FN	2000	82500

TABLE V NARRATIVE

As indicated in the CDSS, the Mission's top priority for FY-1985 is in the areas of export investment and expansion and private sector agricultural development (agri-business), which are seen as the key areas for Dominican economic growth. Equally important, in the short-term, the GODR will need balance of payments support and a source of funding to meet some of the major counterpart requirements.

ESF resources are perceived as facilitating the Dominican Republic's drive toward expansion of exports. Recognizing that the primary thrust of ESF resources is towards balance-of-payments support, the basic structural nature of the country's current and foreseeable balance-of-payments problem motivates the Mission to program ESF resources towards a specific objective: export promotion. The basic ESF funding scenario accordingly includes a significant element of projectized ESF uses, specifically in areas designed to link with compatible programs under the regular DA rubric. Out of \$50 million ESF for FY-1985, \$25 million will be projectized--\$10 million for Export Investment and Expansion, \$10 million for Agri-Business Promotion, and \$5 million for Technical Consultancies. The un-projectized portion will be used for public sector services support.

Project Development and Support, at the levels indicated, will be required for the development and design of the new projects planned

for FY-1985. Similarly, technical consultancies and training will be required to strengthen our efforts in developing the ESF programs in export expansion and agri-business.

Three new efforts in our development assistance accounts are also given high priority: export expansion, agri-business promotion, and land use planning. Grant funds will be particularly essential at the beginning of these projects to cover such costs as technical assistance and training, but to prevent excessive mortgaging much of the loan funding should also be made available.

PL-480 Title I provides a significant source of counterpart for some of our larger projects, as well as a key source leverage for policy dialogue--particularly in the area of agricultural price policies. Title II provides a direct source of outreach capability for the Mission, providing poor rural communities with a temporary source of food while development activities take place in the areas of nutrition and rural development.

In the Mission's efforts to strengthen policy dialogue, three projects directly targeted toward this will take place in FY-1985: the ongoing Agricultural Policy Analysis and the new projects in Dominican Governmental Affairs and Policy Analysis Training.

The ranking that follows is primarily ongoing projects with higher priority given to the essential grant funds, and lower priority given to loan funds which, if reduced, will need to be mortgaged.

It should be noted that mortgaging, for the most part, has been minimized to the extent possible. For the most part, the mortgaging of loans does not exceed two years (except, of course, for ESF). Grant funds have been distributed at a level in which they can be absorbed. This is particularly true of large grant projects, such as Management Training and Policy Analysis Training. Finally, minimal OPG funds remain in each functional account to start up new projects as they are developed; a reduction in these amounts could seriously jeopardize this possibility.

EVALUATION PLAN

USAID/DR plans to carry out 15 evaluations during the FY-1984-1985 period. For FY-1984, three Agricultural projects, one Rural Roads and three Energy Conservation and Resource Development projects are scheduled to be evaluated. Three educational projects will also be evaluated. USAID/DR has eliminated originally scheduled mid-project evaluations on those projects that represent no potential for future AID involvement. In those cases, only end-of-project evaluations are scheduled and only project outputs will be assessed.

As stated in the CDSS, USAID/DR strategy during the next three years will be directed towards (a) macro-economic reform, (b) private investment and export development, (c) food production, and (d) human resource development. Most of the ongoing projects to be evaluated can be classified under the macro-economic reform or policy dialogue objective. Evaluations to be carried out under this objective are:

1. Rural Development Management
2. Institute for Population and Development Studies
3. Energy Policy Development

One of the structural changes needed in the agricultural sector is to move toward the creation of a large number of small- and medium-size commercial private farmers to produce food crops for domestic and foreign markets. The direct support to the commercial farmers through the provision of training, inputs, and credit will be evaluated under the Rural Development Management project.

Rapid population growth constitutes a constraint to the solution of the unemployment and food problems. The effectiveness of the Institute for Population Studies project to develop and disseminate data which will have an impact on decision-maker attitudes toward population policy will be one of the major objectives of this project's scheduled evaluation.

The Energy Policy Development project's objective to upgrade the management and technical skills of all agencies involved in implementing energy programs will be evaluated to determine its effect on changes in policy regarding energy conservation.

Projects to be evaluated under food production objectives include:

1. Small Farmer Swine Production (OPG)
2. Rural Development Management

After the completion of a successful African Swine Fever Eradication project, USAID/DR has initiated a Small Farmer Swine Production OPG to support efforts in swine repopulation. This activity, which is in its final stage, will be evaluated to determine if the project has impacted on small farmers' ability to acquire new, improved swine to replace swine which was destroyed.

Projects to be evaluated under human resources objectives are:

1. Education Sector Loan I
2. APEC Women's Training and Advisory Services (OPG)
3. Human Resources Development

Education Sector Loan I will be evaluated to ascertain that the institutional base has been sufficiently expanded so as to ensure further USAID support. The number and quality of schools constructed under the project and their proper use, including equipment, will be assessed and compared against project objectives to determine if the project contributes to the overall objective of upgrading the human resource base.

The purpose of the Women's Training and Advisory Services project evaluation will be to assess the project's impact on poor women's ability to acquire vocational skills and job opportunities.

The Human Resources Development project will be evaluated to ascertain whether or not adequate use is made of the technical assistance provided under the project by the implementing institution, and training institutions have been strengthened sufficiently to upgrade their services.

The evaluation of the Small Business OPG pertains to the private sector investment and export development objectives. The results of this evaluation will be the basis for determining the use of resources through either micro- or small business under the new agri-business project. Also, the impact of the project on new job creations will be assessed.

In order to promote and increase Dominican exports, USAID/DR will carry out the following activities to evaluate and assess future project possibilities:

a. Research, identification, and development of new export products and markets for Dominican products, including the preparation of special studies in relationship to tourism, mining, and handicraft promotion.

b. Provide assistance in the investigation of and support to the development of agri-business and sugar diversification activities.

These additional evaluative activities will be directed toward assisting USAID/DR in the allocation of future resources in the export and industrial sectors.

TABLE VII -- LIST OF PLANNED EVALUATIONS
 FY-1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: DOMINICAN REPUBLIC

Project List (Project Number & Project Title)	Last Eval. Completed (Mo./Yr.)	FY-1984		FY-1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	AID/W (Qtr.)	Start (Qtr.)	AID/W (Qtr.)				
AGRICULTURE									
Natural Resources Management (517-0126)	-	2	2	-	-	PACD: July 1986. Assess the farmer conservation incentive program component of the project, and determine if adjust- ments are necessary.	Proj. 8	2	Contract
Small Farmer Swine Production (517-0155)	-	4	4	4	4	PACD: September 1984. End-of-project evaluation. Evaluate purpose level indicators to determine if new management tech- niques are applied by farmers to assure repopulation efforts.	PD&S 6	10	Contracted
Rural Development Management (517-0125)	-	3	4	1	2	PACD: December 1984. Mid-project assessment of progress toward meeting the purpose level indicators to see if re-direction is required.	Proj. 6	15	Contracted AID/W
Rural Feeder Roads I (517-0130)	-	-	-	1	2	PACD: September 1984. To evaluate if project objectives have been met, and if the institu- tional base is adequate for continu- ing AID support in building of feeder roads, and for possible integration with PL-480 Title II food distribu- tion program.	Proj. 20	15	Contracted

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MISSION EVALUATION OFFICER: Rose M. Veith, Program Officer
 15% of annual time devoted to evaluation work.

TABLE VII -- LIST OF PLANNED EVALUATIONS
 FY-1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: DOMINICAN REPUBLIC

Project List (Project Number & Project Title)	Last Eval. Completed (Mo./Yr.)	FY-1984		FY-1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	AID/W (Qtr.)	Start (Qtr.)	AID/W (Qtr.)				
<u>ENERGY</u> Energy Conservation and Resources Dev. (517-0144)	-	1	2	-	-	PACD: April 1987. Assess institutional structure under industrial conservation and mini-hydro components. Evaluate wood fuel programs technical assistance. Evaluate status of and problems regarding national energy planning component.	Proj. 5	15	Contract
Solar Bagasse Drying (538-0032)	-	1	1	-	-	PACD: September 1983. Final evaluation to determine potential use of bagasse as fuel alternative.	Proj. 6	10	Contract
Energy Policy Dev. (517-0143)	-	1	2	-	-	PACD: September 1983. Final evaluation to determine if institutional base is adequately in place to support policy modi- fications and future support.	Proj. 8	10	Contract

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY-1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: DOMINICAN REPUBLIC

Project List (Project Number & Project Title)	Last Eval. Completed (Mo./Yr.)	FY-1984		FY-1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start (Qtr.)	AID/W (Qtr.)	Start (Qtr.)	AID/W (Qtr.)					
<u>POPULATION</u>										
Institute for Population and Dev. Studies (517-0161)	-	-	-	2	4	PACD: February 1985. Evaluate progress made toward purpose level indicators to deter- mine if mid-course corrections are required.	Proj. AID/W	6	10	Contract
<u>SELECTED DEV. ACTIVITIES</u>										
Small Business Org (517-0154)	06/82	3	4	-	-	PACD: February 1984. Determine if project goals have been achieved, and evaluate the potential of micro-enterprises in the FY-1985 Agri-Business Promotion and Export Expansion activities.	Proj. AID/W	7	10	AI TEC

TABLE VII -- LIST OF PLANNED EVALUATIONS
 FY-1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: DOMINICAN REPUBLIC

Project List (Project Number & Project Title)	Last Eval. Completed (Mo./Yr.)	FY-1984		FY-1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	AID/W (Qtr.)	Start (Qtr.)	AID/W (Qtr.)				
<u>EDUCATION</u>									
Education Sector Loan (517-0119)	-	4	-	-	1	PACD: June 1984. Final evaluation to measure planned activities with actual project results, and evaluate institutional base to support future USAID commitment, especially in the areas of regionalization and school construction.	Proj.	30	Contract
Women's Training & Advisory Services (517-0146)	-	3	4	1	1	PACD: December 1984. Evaluate impact of project on the creation of training and job opportunities for low-income women; also, to determine if similar approach can be used to promote export-oriented production.	Proj.	8	10 Contract
Human Resources Dev. (517-0127)	-	2	3	-	-	PACD: September 1986. Mid-project evaluation to determine progress made toward the achievement of purpose level indicators.	Proj.	8	15 Contract

TABLE VIII - FY 1983

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1446.7	-	1446.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1099.4	-	1099.4	22.8
PT/TEMP U.S. BASIC PAY	U102	112	-	-	-	-
DIFFERENTIAL PAY	U103	116	67.2	-	67.2	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-	-	-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-	-	-	XXXXX
EDUCATION ALLOWANCES	U106	126	35.3	-	35.3	21
RETIREMENT - U.S.	U107	120	77.0	-	77.0	XXXXX
LIVING ALLOWANCES	U108	128	-	-	-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	25.0	-	25.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	-	-	-	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	19.5	-	19.5	11
POST ASSIGNMENT - FREIGHT	U112	22	65.4	-	65.4	11
HOME LEAVE - TRAVEL	U113	212	11.6	-	11.6	10
HOME LEAVE - FREIGHT	U114	22	16.3	-	16.3	10
EDUCATION TRAVEL	U115	215	6.2	-	6.2	14
R AND R TRAVEL	U116	215	21.3	-	21.3	26
ALL OTHER CODE 215 TRAVEL	U117	215	2.5	-	2.5	6
<u>FOREIGN NATIONAL DH</u>	U200		791.1	-	791.1	XXXXX
BASIC PAY	U201	114	637.7	-	637.7	34
OVERTIME, HOLIDAY PAY	U202	115	5.0	-	5.0	3
ALL OTHER CODE 11 - FN	U203	119	75.1	-	75.1	XXXXX
ALL OTHER CODE 12 - FN	U204	129	73.3	-	73.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-	-	-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		19.6	-	19.6	XXXXX
PASA TECHNICIANS	U301	258	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	-	-	-	-
ALL OTHER U.S. PSC COSTS	U303	255	-	-	-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	19.6	-	19.6	1
ALL OTHER F.N. PSC COSTS	U305	255	-	-	-	XXXXX
<u>HOUSING</u>	U400		267.7	-	267.7	XXXXX
RENT	U401	235	16.2	-	16.2	1
UTILITIES	U402	235	12.0	-	12.0	XXXXX
RENOVATION AND MAINT.	U403	259	8.0	-	8.0	XXXXX
QUARTERS ALLOWANCE	U404	127	170.0	-	170.0	21
PURCHASES RES. FURN/EQUIP.	U405	311	42.2	-	42.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	15.2	-	15.2	XXXXX
SECURITY GUARD SERVICES	U407	254	-	-	-	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.4	-	2.4	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.7	-	1.7	XXXXX

TABLE VIII - FY 1983

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		716.1	-	716.1	XXXXX
RENT	U501	234	33.8	-	33.8	XXXXX
UTILITIES	U502	234	-	-	-	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0	-	5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	49.7	-	49.7	XXXXX
VEHICLES	U505	312	39.0	-	39.0	XXXXX
OTHER EQUIPMENT	U506	319	-	-	-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	13.6	-	13.6	XXXXX
COMMUNICATIONS	U508	230	35.0	-	35.0	XXXXX
SECURITY GUARD SERVICES	U509	254	-	-	-	XXXXX
PRINTING	U510	24	2.4	-	2.4	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-	-	-	-
SITE VISITS	U512	210	47.8	-	47.8	120
INFORMATION MEETINGS	U513	210	-	-	-	-
TRAINING ATTENDANCE	U514	210	4.2	-	4.2	2
CONFERENCE ATTENDANCE	U515	210	16.9	-	16.9	14
OTHER OPERATIONAL TRAVEL	U516	210	-	-	-	-
SUPPLIES AND MATERIALS	U517	26	30.0	-	30.0	XXXXX
FAAS	U518	257	378.7	-	378.7	XXXXX
CONSULTING SVCS - CONT.	U519	259	-	-	-	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-	-	-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-	-	-	XXXXX
ALL OTHER CODE 25	U522	259	60.0	-	60.0	XXXXX
TOTAL O.E. BUDGET			3241.2	-	3241.2	XXXXX
RECONCILIATION			1647.3	-	1647.3	XXXXX
OPERATING ALLOWANCE REQUEST			1593.9	-	1593.9	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				861.1		
Exchange rate used (as of May 1, 1983)				RD\$1 = US\$1		

TABLE VIII - FY 1984

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1456.4	-	1456.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1041.5	-	1041.5	22.8
PT/TEMP U.S. BASIC PAY	U102	112	-	-	-	-
DIFFERENTIAL PAY	U103	116	67.4	-	67.4	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-	-	-	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119	-	-	-	XXXXX
EDUCATION ALLOWANCES	U106	126	48.3	-	48.3	27
RETIREMENT - U.S.	U107	120	72.8	-	72.8	XXXXX
LIVING ALLOWANCES	U108	128	-	-	-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	28.5	-	28.5	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	-	-	-	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	50.6	-	50.6	16
POST ASSIGNMENT - FREIGHT	U112	22	81.5	-	81.5	16
HOME LEAVE - TRAVEL	U113	212	15.3	-	15.3	12
HOME LEAVE - FREIGHT	U114	22	15.9	-	15.9	12
EDUCATION TRAVEL	U115	215	7.0	-	7.0	14
R AND R TRAVEL	U116	215	23.6	-	23.6	28
ALL OTHER CODE 215 TRAVEL	U117	215	4.0	-	4.0	4
<u>FOREIGN NATIONAL DH</u>	U200		941.1	-	941.1	XXXXX
BASIC PAY	U201	114	747.8	-	747.8	34
OVERTIME, HOLIDAY PAY	U202	115	10.0	-	10.0	.5
ALL OTHER CODE 11 - FN	U203	119	85.7	-	85.7	XXXXX
ALL OTHER CODE 12 - FN	U204	129	97.6	-	97.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-	-	-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		120.0	-	120.0	XXXXX
PASA TECHNICIANS	U301	258	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	-	-	-	-
ALL OTHER U.S. PSC COSTS	U303	255	-	-	-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	120.0	-	120.0	5
ALL OTHER F.N. PSC COSTS	U305	255	-	-	-	XXXXX
<u>HOUSING</u>	U400		370.6	-	370.6	XXXXX
RENT	U401	235	17.8	-	17.8	1
UTILITIES	U402	235	14.0	-	14.0	XXXXX
RENOVATION AND MAINT.	U403	259	3.0	-	3.0	XXXXX
QUARTERS ALLOWANCE	U404	127	201.9	-	201.9	21.8
PURCHASES RES. FURN/EQUIP.	U405	311	105.9	-	105.9	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	23.6	-	23.6	XXXXX
SECURITY GUARD SERVICES	U407	254	-	-	-	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.4	-	2.4	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0	-	2.0	XXXXX

TABLE VIII - FY 1984

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		839.2	-	839.2	XXXXX
RENT	U501	234	40.0	-	40.0	XXXXX
UTILITIES	U502	234	-	-	-	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0	-	5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	53.5	-	53.5	XXXXX
VEHICLES	U505	312	55.2	-	55.2	XXXXX
OTHER EQUIPMENT	U506	319	-	-	-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	11.1	-	11.1	XXXXX
COMMUNICATIONS	U508	230	37.0	-	37.0	XXXXX
SECURITY GUARD SERVICES	U509	254	-	-	-	XXXXX
PRINTING	U510	24	3.0	-	3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-	-	-	-
SITE VISITS	U512	210	90.4	-	90.4	207
INFORMATION MEETINGS	U513	210	-	-	-	-
TRAINING ATTENDANCE	U514	210	13.0	-	13.0	7
CONFERENCE ATTENDANCE	U515	210	12.0	-	12.0	12
OTHER OPERATIONAL TRAVEL	U516	210	-	-	-	-
SUPPLIES AND MATERIALS	U517	26	77.0	-	77.0	XXXXX
FAAS	U518	257	350.0	-	350.0	XXXXX
CONSULTING SVCS - CONT.	U519	259	-	-	-	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-	-	-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-	-	-	XXXXX
ALL OTHER CODE 25	U522	259	92.0	-	92.0	XXXXX
TOTAL O.E. BUDGET			3727.3	-	3727.3	XXXXX
RECONCILIATION			1560.2	-	1560.2	XXXXX
OPERATING ALLOWANCE REQUEST			2167.1	-	2167.1	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

1126.2
RD\$1.00=US\$1.00

Estimated Wage Increases - FY 1983 to FY 1984
Estimated Price Increases - FY 1983 to FY 1984

13%
10%

TABLE VIII - FY 1985

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1394.5	-	1394.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1038.1	-	1038.1	22.5
PT/TEMP U.S. BASIC PAY	U102	112	-	-	-	-
DIFFERENTIAL PAY	U103	116	85.3	-	85.3	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-	-	-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-	-	-	XXXXX
EDUCATION ALLOWANCES	U106	126	47.0	-	47.0	25
RETIREMENT - U.S.	U107	120	72.5	-	72.5	XXXXX
LIVING ALLOWANCES	U108	128	-	-	-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	28.1	-	28.1	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	-	-	-	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	23.5	-	23.5	7
POST ASSIGNMENT - FREIGHT	U112	22	27.0	-	27.0	7
HOME LEAVE - TRAVEL	U113	212	8.2	-	8.2	10
HOME LEAVE - FREIGHT	U114	22	16.8	-	16.8	10
EDUCATION TRAVEL	U115	215	9.0	-	9.0	18
R AND R TRAVEL	U116	215	34.0	-	34.0	28
ALL OTHER CODE 215 TRAVEL	U117	215	5.0	-	5.0	4
 <u>FOREIGN NATIONAL DH</u>	U200		973.4	-	973.4	XXXXX
BASIC PAY	U201	114	778.5	-	778.5	32
OVERTIME, HOLIDAY PAY	U202	115	15.0	-	15.0	.5
ALL OTHER CODE 11 - FN	U203	119	83.6	-	83.6	XXXXX
ALL OTHER CODE 12 - FN	U204	129	96.3	-	96.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-	-	-	XXXXX
 <u>CONTRACT PERSONNEL</u>	U300		165.0	-	165.0	XXXXX
PASA TECHNICIANS	U301	258	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	-	-	-	-
ALL OTHER U.S. PSC COSTS	U303	255	-	-	-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	165.0	-	165.0	7
ALL OTHER F.N. PSC COSTS	U305	255	-	-	-	XXXXX
 <u>HOUSING</u>	U400		392.5	-	392.5	XXXXX
RENT	U401	235	19.6	-	19.6	1
UTILITIES	U402	235	16.0	-	16.0	XXXXX
RENOVATION AND MAINT.	U403	259	4.0	-	4.0	XXXXX
QUARTERS ALLOWANCE	U404	127	203.4	-	203.4	21.5
PURCHASES RES. FURN/EQUIP.	U405	311	116.5	-	116.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	28.2	-	28.2	XXXXX
SECURITY GUARD SERVICES	U407	254	-	-	-	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.6	-	2.6	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2	-	2.2	XXXXX

TABLE VIII - FY 1985

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ORGANIZATION USAID/DOMINICAN REPUBLIC

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		913.4	-	913.4	XXXXX
RENT	U501	234	44.0	-	44.0	XXXXX
UTILITIES	U502	234	-	-	-	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.5	-	5.5	XXXXX
OFFICE FURN./EQUIP.	U504	310	54.9	-	54.9	XXXXX
VEHICLES	U505	312	39.0	-	39.0	XXXXX
OTHER EQUIPMENT	U506	319	-	-	-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	12.6	-	12.6	XXXXX
COMMUNICATIONS	U508	230	41.0	-	41.0	XXXXX
SECURITY GUARD SERVICES	U509	254	-	-	-	XXXXX
PRINTING	U510	24	3.5	-	3.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-	-	-	-
SITE VISITS	U512	210	102.5	-	102.5	215
INFORMATION MEETINGS	U513	210	-	-	-	-
TRAINING ATTENDANCE	U514	210	12.2	-	12.2	8
CONFERENCE ATTENDANCE	U515	210	13.2	-	13.2	12
OTHER OPERATIONAL TRAVEL	U516	210	-	-	-	-
SUPPLIES AND MATERIALS	U517	26	85.0	-	85.0	XXXXX
FAAS	U518	257	400.0	-	400.0	XXXXX
CONSULTING SVCS - CONT.	U519	259	-	-	-	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-	-	-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-	-	-	XXXXX
ALL OTHER CODE 25	U522	259	100.0	-	100.0	XXXXX
TOTAL O.E. BUDGET			3838.8	-	3838.8	XXXXX
RECONCILIATION			1624.0	-	1624.0	XXXXX
OPERATING ALLOWANCE REQUEST			2214.8	-	2214.8	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

1026.0
RD\$1 = US\$1

Estimated Wage Increases - FY 1984 to FY 1985
Estimated Price Increases - FY 1984 to FY 1985

13%
10%

TABLE VIII -- OPERATING EXPENSE NARRATIVEA. Management Improvements

The objective of USAID management is to improve the efficiency and the effectiveness of the available workforce as related to the present and projected work load in order to assure, at a minimum cost, the successful implementation of the host country development strategy.

Specific actions designed to achieve this objective are:

1. Training

A comprehensive training program, designed to enhance the technical skills of the staff, will be instituted. This program will be implemented through the use of a series of in-house training programs supported by the increased number of training opportunities sponsored by AID/W. The program will respond to the need for specific skills training in such areas as accounting, word processing, and data management. Training will emphasize the use of computers for project management purposes.

It is obviously difficult to quantify with absolute precision the effects of staff training. However, it is reasonable to expect significant saving in the future as improved techniques and capabilities are put into use. Savings, as a result, are estimated at \$25,000 to \$50,000 per year. Equally important, significant saving will be evident in project administration, as current staff levels will be better able to manage a larger work load resulting from an increased program.

2. Contract Support

Implementation of a significantly increased development program will require the use of intermediaries to assist in the process. The large increase in the number of contract personnel would impact negatively on the Mission Operating Expenses Budget, and ultimately the FAAS. In order to avoid a cost increase, the Mission has concluded an agreement with the Embassy under a support arrangement, which is essentially a mini-PASA. Support functions for contractors are outlined in the agreement, and a specified amount for this purpose is identified in each PIO/T and contract. In this way, contract support costs are an identifiable direct project cost instead of an unquantifiable indirect cost which inflates the OEB and FAAS. Savings of \$45,000 per year are estimated as a result of this action. Moreover, contract personnel are accorded essentially the same treatment and support as direct hire employees, which has a direct effect on the overall morale of these employees. This results in improved performance and hence a greater work efficiency.

3. Rehabilitation

The Mission has inaugurated a vigorous program to rehabilitate office and household furniture and equipment where economically feasible. It is estimated that this procedure will reduce new purchase requirements by \$10,000 to \$15,000 a year.

4. Contract Administration

To reduce the required level of the OEB, due to the expanded requirements of a greatly increased development program, the Mission plans

to program into each major project (loan or grant) funds for the purpose of providing project support staff. This support staff will primarily be in the areas of financial management, administration, and engineering. Normally, the major portion of this work load would fall on the Mission, and would require additional contract personnel funded under the OEB. By eliminating the need to provide additional staff under the OEB, it is estimated that a minimum of \$50,000 to \$75,000 can be saved. In addition, the costs are appropriately charged to and identified with a specific project. This allows a more accurate appraisal of total project costs.

5. Incentive Awards

The Mission plans to re-emphasize and re-energize the Incentive Awards Program to encourage employees to participate in the program. The individual employee, by virtue of their daily activities, are best equipped to provide ways to improve their efficiencies.

6. Intermediaries

The Mission will increase the use of intermediaries to utilize the private sector (including Private Voluntary Organizations) as a resource. Also, the Mission will expand its cooperative role with the Peace Corps. In addition to obvious project advantages, the increased use of these resources will impact favorably on the OEB by reducing the demands for Mission support. By eliminating the need to provide direct Mission support to projects, it is estimated that \$25,000 to \$35,000 can be saved.

7. Summary of Savings

An analysis of the OEB will indicate that there is little discretion in developing the operating expense budget, as the majority of the object classifications are fixed by definition, i.e., personnel costs, rents, utilities, freight, travel, etc. There is some apparent flexibility in property procurement in that procurement may be delayed from one year to the next. This is a false assumption and a false economy. Prices increase from year to year and delayed procurement results in higher prices ultimately being paid and lowered work staff efficiency.

Real savings can only be affected by limiting the growth of the OEB as program requirements expand. The actions proposed by the Mission will accomplish this.

	<u>Low</u>	<u>High</u>
Estimated Savings Training	25M	50M
Contract Support	45M	45M
Rehabilitation	10M	25M
Contract Administration	50M	75M
Incentive Awards	-	-
Intermediaries	25M	35M
	<hr/>	<hr/>
Total	155M	230M

B. Justification for Funding Change

1. From 1983-1984

a. U-200. The 16% change between 1983 and 1984 represents a 13% general increase in FN salaries (equivalent to the pattern established in the last two fiscal years), and an average of 3% for step increases.

b. U-300. The large increase in contract personnel will be due to the increase from 1 person/year to 5 person/years required for the following:

(1) The management of the newly acquired WANG VS-80 computer will necessitate the employment of two computer specialists (a system manager and a system analyst), and

(2) One additional financial analyst and one contract secretary.

c. U-400. The 1983 budget was reduced by \$100,000 requiring the Mission to defer procurement originally planned for FY-1983 until FY-1984. The Mission programmed \$20,000 in FY-1983 for the procurement of residential furniture for the Mission Director's residence. This item has also been deferred to FY-1984.

Insofar as replacement vehicles are covered, the delayed procurement in previous years has resulted in grouping purchases instead of replacement on a scheduled basis. The vehicles being replaced have met the replacement standards, and for economy and safety should be replaced.

d. U-500. We are budgeting the necessary travel that will have to be performed in accordance with the anticipated size of our program. This accounts for part of the increase. The justification for the remaining increase is the stocking of an initial supply of forms for the Wang computer.

2. From 1984-1985

a. U-300. Our FNDH ceiling is being reduced by two positions.

We propose to replace these two positions with two contract personnel.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

ABS-75

	-----Fiscal Year-----		
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	-	10,000	15,000
2. Purchase of Software	-	<u>15,000</u>	<u>15,000</u>
Subtotal	<u>-</u>	<u>25,000</u>	<u>30,000</u>
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	8,000	40,000	40,000
2. Workyears	<u>0.3</u>	<u>2.0</u>	<u>2.0</u>
Subtotal	<u>8,000</u>	<u>40,000</u>	<u>40,000</u>
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	-	-	-
2. Supplies and Leased Software	<u>-</u>	<u>7,000</u>	<u>8,000</u>
Subtotal	<u>-</u>	<u>7,000</u>	<u>8,000</u>
D. <u>Commercial Services</u>			
1. ADP Service Bureau	-	-	-
2. Systems Analysis and Programming	-	-	-
3. ADPE Maintenance (If separate from item C.1.)	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Subtotal	<u>-</u>	<u>12,000</u>	<u>12,000</u>
E. <u>Total Obligations (A-D)</u>	<u>8,000</u>	<u>84,000</u>	<u>90,000</u>
F. <u>Interagency Services</u>			
1. Payments	-	-	-
2. Offsetting Collections	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	-	-	-
G. <u>Grand Total (E+F)</u>	<u>8,000</u>	<u>84,000</u>	<u>90,000</u>
Amount included in <u>Mission allowance</u> for existing systems	8,000	74,000	75,000
Amount included in <u>Mission allowance</u> for new/expanded systems	-	10,000	15,000

TABLE VIII (a) -- AUTOMATIC DATA PROCESSING NARRATIVE

The Mission, with AID/W approval, requisitioned ADP equipment in FY-1982. Delivery is expected in June or July 1983. The Wang VS-80 system is expected to be fully operational by November/December 1983. Currently, the system will consist of 9 work stations providing a work station for each substantive organizational unit, with the exception of the Agricultural Division which is in another building removed from the immediate area of the USAID office. This will be increased to 15 work stations in subsequent years, in accordance with projected work load requirements.

Primarily, the equipment will be used in the following general areas:

1. Mission Accounting
2. Financial Analysis
3. Property Management
4. Project Management/Administration
5. Participant Training
6. Project Documentation

TABLE VIII(b)
OBLIGATIONS FOR WP SYSTEMS
(\$000)

ABS-77

	-----Fiscal Year-----		
	1983	1984	1985
A. Capital Investments in W/P Equipment	0	0	0
B. W/P Equipment Rental and Supplies	1	1.1	1.2
C. Other W/P Costs *	1.3	1.3	1.3
Total	2.3	2.4	2.5
Amount included in <u>Mission allowance</u> for existing systems	2.3	2.4	2.5
Amount included in <u>Mission allowance</u> for new/expanded systems			

* Maintenance contract.

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

ABS-78

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1.0	1.0	1.0	1.0
012	Deputy Mission Director	1.0	1.0	1.0	1.0
071	Executive Assistant	1.0	1.0	1.0	1.0
032	Management Officer	1.0	1.0	1.0	1.0
043	Controller	1.0	1.0	1.0	1.0
043	Deputy Controller	1.0	0.6	1.0	1.0
023	Program Officer	1.0	1.0	1.0	1.0
023	Deputy Program Officer	1.0	1.0	1.0	1.0
021	Program Economist	1.0	1.0	1.0	1.0
940	Project Dev. Officer	1.0	1.0	1.0	1.0
940	Deputy Project Dev. Off.	1.0	1.0	1.0	1.0
940	Ass't Project Dev. Off.	1.0	1.0	1.0	1.0
251	Civil Eng. Officer	1.0	1.0*	1.0*	1.0*
103	Agric. Dev. Officer	1.0	1.0	1.0	1.0
104	Project Manager Agric.	1.0	1.0	1.0	1.0
101	Agricultural Economist	1.0	1.0	1.0	1.0
501	Health Dev. Off. PHSN	1.0	1.0	1.0	1.0
502	Public Health Advisor	1.0	0.9	-	-
601	Education Dev. Off.	1.0	1.0	1.0	1.0
601	Ass't Educ. Dev. Off.	1.0	1.0*	1.0*	1.0*
203	Urban Dev. Officer	1.0	-	-	-
209	Private Enterprise Off.	-	0.5	1.0	1.0
103	IDI Agric. Dev. Off.	0.75	1.0	0.25	-
502	IDI Health/Pop./Nutr.	-	1.0	1.0	-
940	IDI Project Dev. Off.	-	0.75	1.0	-

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

ABS-79

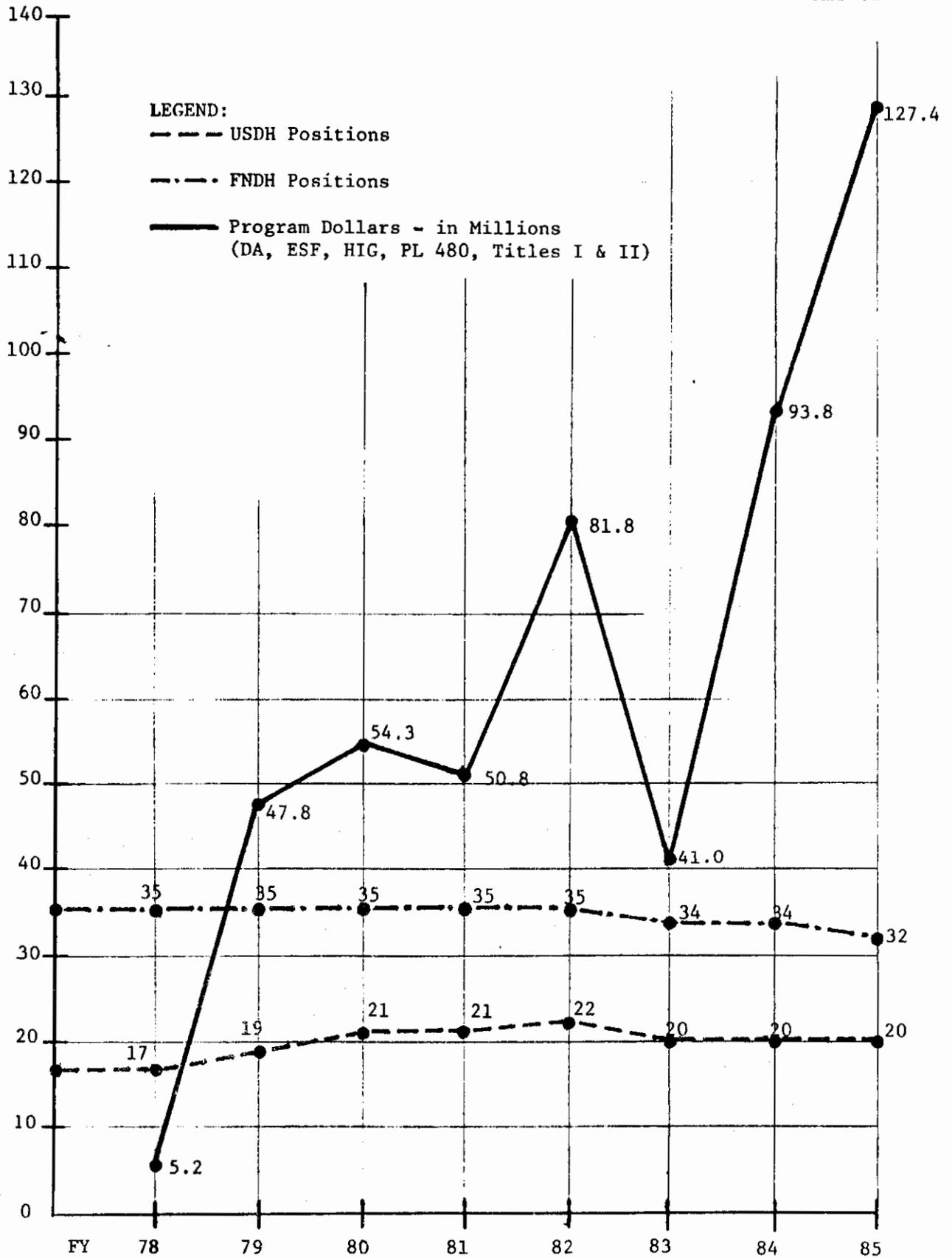
SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
070	Chauffeur	1.0	1.0	-	-
050	Secretary	1.0	1.0	1.0	1.0
020	Participant Trg. Ass't	1.0	1.0	1.0	1.0
020	Program Clerk	1.0	1.0	1.0	1.0
021	Economic Specialist	1.0	1.0	1.0	1.0
024	Program Assistant	1.0	1.0	-	-
850	Legal Advisor	1.0	1.0	1.0	1.0
940	Dev. Loan Specialist	1.0	1.0*	1.0*	1.0*
024	Program Assistant	1.0	1.0	1.0	1.0
050	Clerk/Stenographer	1.0	1.0	1.0	1.0
251	Engineer	1.0	1.0	1.0	1.0
251	Engineer	1.0	1.0	1.0	1.0
040	Spvsry. Dev. Loan Spec.	1.0	1.0	1.0	1.0
040	Dev. Loan Ass't	1.0	1.0	1.0	1.0
040	Dev. Loan Ass't	0.5	-	-	-
040	Dev. Loan Ass't	1.0	1.0	1.0	1.0
040	Budget Analyst	1.0	1.0	1.0	1.0
040	Accounting Tech.	1.0	1.0*	1.0*	1.0*
040	Accounting Tech.	1.0	1.0*	1.0*	1.0*
040	Accounting Tech.	1.0	1.0	1.0	1.0
040	Spvsry. Voucher Exam.	1.0	1.0	1.0	1.0
040	Accounting Main Clerk	1.0	1.0	1.0	1.0
040	Pay Roll Clerk	1.0	1.0	1.0	1.0
040	Voucher Examiner	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
050	Clerk/Stenographer	1.0	1.0	1.0	1.0
100	Program Specialist	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
050	Clerk/Stenographer	1.0	1.0	1.0	1.0
500	Program Assistant	1.0	1.0	1.0	1.0
030	Management Assistant	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
600	Program Assistant	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0

TABLE IX (a) -- WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE) NARRATIVETABLE IX (b) -- WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE) NARRATIVE

The mix of staff skills is adequate and collates to USAID development strategy with one exception. As focus and emphasis is directed to the private sector, a Private Sector Advisor has been programmed to replace the Urban Development Advisor currently on the USAID roster. The appropriate SPAR's have been issued for this change, and a suitable candidate has been identified.

However, to rationally assess the adequacy of the work force to the current and projected program work load, a review of both program and personnel levels is indicated. This comparison is presented graphically in the following chart. Essentially, program levels in response to vital U.S. interest in the Caribbean have expanded dramatically whereas personnel levels have been contracting. Obviously, there are efficiencies in management which can be effected, but indiscriminate personnel reductions are counter-productive. Essential program managerial elements by necessity are not properly administered when staff levels are inadequate to program requirements. Some consideration must be given to available staff resources, as related to program size and complexity.

The USAID has maximized the use of intermediaries to implement and develop projects. However, much of the work of program development, implementation, monitoring, fiscal management, and evaluation cannot be



RELATIONSHIP BETWEEN HUMAN RESOURCES AND PROGRAM LEVELS

delegated to contractors, PVO's, or others. Outside resources can and do provide technical inputs, but the ultimate responsibility for project preparation, monitoring, and evaluation still must be done by direct hire employees. The vast majority of staff time is currently associated with the development of new projects, and it is in this area where intermediaries are of limited value. It is not feasible nor practical to contract for a Program Officer or a Project Development Officer. The result of continuing reduction in staff without regard to program requirements will mean doing less with less.

The previous staff level of 21 USDH and 35 FN was appropriate for the country program level and extracted maximum efficiency from the personnel. The most recent staff reductions will require some adjustment in the proposed program. This will require appropriate reduction in Health/Population as well as Education. If further reductions are experienced, an across the board reduction in the program must be considered.

The USAID presently has adequate capacity for sound economic analysis. The Economic staff is composed of a Program Economist, an Agricultural Economist, and a FSN Economic Specialist. Occasional outside assistance from AID/W or the private sector is solicited when required.

Technology transfer is generally accomplished by the use of contracts with educational institutions and other appropriate organizations, as the limited direct hire staff must be utilized for other purposes as indicated above. The role of AID's direct hire personnel is so directly linked to project and program oversight and management that their technical expertise seldom can be fully exploited because of the administrative/

management demands placed upon them. Consequently, where special technical expertise and analysis is required, intermediaries are the only alternative. This outside expertise is available, and the USAID has the experience to identify and utilize it. In addition, the USAID, to the extent possible, is designing into new projects funding for the purpose of providing special technical, financial, and management skills.

PL-480 TITLE I NARRATIVEA. Mission Strategy

PL-480 Title I programs totaling \$62,640,626 were carried out in Fiscal Years 1979 through 1983. The Dominican PL-480 program has been utilized for specific projects in agriculture, rural development, health, and education. Generally these projects have focused on replicating or extending programs initiated under AID dollar loans. Because of the extreme budgetary difficulties caused by GODR efforts to control the country's economic crisis, an increasing portion of the program local currency generations has been dedicated to meet otherwise unavailable counterpart requirements for AID loans.

PL-480 Title I program is considered to have been effective not only in providing significant balance of payments assistance, but also in meeting the stated objectives of the projects, in having direct impact on the rural poor and in supporting other Mission development projects. For example:

(1) Increasing agricultural production of small farmers has been the principal objective of a series of crop specific projects (vegetables, plantains, rice, oilseeds, fruit trees, and roots and tubers) and related support activities. Under these projects: 25 nurseries for coconut oil development have been established and 1,000,000 plants have been distributed; a warehouse to store peanut planting materials was constructed; 10 fruit tree nurseries were built; 5 million plantain seedling materials were distributed to 5,400 small farmers; 36

experimental farms were established producing crops in 1,271 areas; an environmentally-controlled warehouse and office for vegetable production was constructed and 100,000 areas of vegetable crops were planted. (These activities expand the Agriculture Sector I and II project activities.)

(2) Under the PL-480 local currency program, funds have been provided to support the AID loan funded African Swine Fever (ASF) project activities. As a result, ASF has been eradicated from the Dominican Republic. Surveillance activities continue with emphasis on the Haitian frontier region. In addition, credit is now being made available with local currency resources to swine producers to initiate the repopulation phase of this program.

(3) A center to provide training to approximately 510 middle and higher level managers and administrators per year in the agriculture sector is being developed. Construction of one teaching facilities is completed. The remaining construction activities should be completed before the end of the year. Numerous case studies have been developed. (These activities directly support the AID Rural Development Management project activities).

(4) 55 rural health clinics have been constructed (which expands and strengthens the low-cost Health Delivery System developed under the Health Sector I and II program).

(5) 300 rural schools have been constructed (which supports the AID Education Sector Project).

(6) 150 kms. of rural roads have been rehabilitated and 372 kms. are under maintenance providing access to 60,000 rural inhabitants, thus

directly complementing the Rural Road Maintenance and Rehabilitation project activities.

(7) Approximately 1,200 subloans have been made to small and medium size coffee producers, thus supporting the AID funded Small Farmer Agricultural Rehabilitation project activities.

PL-480 local currency resources are programmed initially among individual projects of rural development which are included under a GODR/AID negotiated list of eligible categories, proposed by the government, approved or disapproved on their own merits, analyzed in "mini-project papers," and implemented through separate accounts jointly controlled by the Technical Secretariat of the Presidency and USAID. The large majority of these projects either represent an integral part of ongoing USAID projects or are expansions of fully disbursed AID projects. This programming strategy has enabled the Mission simultaneously to help the government achieve its rural development objectives, assist the GODR through a serious budgetary crisis, and assure that counterpart would be available to carry forward AID loan and grant projects on schedule.

In addition, and in response to the current PL-480 policy direction, the Mission has identified two areas for policy discussion with the GODR: policy constraints to increased agricultural commodity production and strengthening of the GODR administration of development projects in general beginning with PL-480 operations.

During the implementation of the FY-1982 PL-480 Title I program, the Mission (with the assistance of a team from the University of Minnesota) undertook an analysis of the food grain price and trade policies in the

Dominican Republic. The essence of the University of Minnesota study (completed in December 1982) is that prices of basic foodstuffs are depressed not because of agricultural pricing policy, but because of the official foreign exchange allocated to the National Price Stabilization Institute (INESPRE). While the report indicates that price setting has been a problem, it is clearly not the only problem. Accordingly, since the constraints to increased agricultural production are many and complex, the current Mission strategy in policy development and increasing agricultural production, is to take a broader approach when dealing with the problem.

The GODR is currently discussing the establishment of an agriculture sector policy unit responsible directly to the President. This unit would study all policy constraints to increased agricultural production and make recommendations to the President. The development of this unit is being considered as a part of a planned \$2.0 million AID funded grant project (No. 517-0156). The GODR is currently trying to decide on the basic structure and makeup of this unit.

The Mission is also considering requesting through AID/W that the University of Minnesota (through the existing centrally funded Cooperative Research Agreement) carry out in the near future additional analysis on INESPRE price policies for domestic and imported agricultural commodities with some special attention given to the effects of fertilizer costs and INESPRE overhead costs.

In the area of development project administration, a unit for improvement of GODR management practices was established within the GODR Technical Secretariat of the Presidency. This unit is responsible for

coordinating the PL-480 Title I activities and the CBI activities. This unit handles the programing for these activities and assists GODR entities in the development of detailed subproject plans. This unit monitors the implementation of the subprojects and develops periodic progress reports. The unit also carried out frequent field audits of all subprojects. Overall, the quality of its work has improved noticeably. Additional funding is being programed to further expand their capabilities and responsibilities. This initial step will be built upon subsequently to improve financial management practices for all AID-financed operations and later operations of other donors.

During the negotiation of the FY-1983 program an important change was effected in the terms and conditions for usage and management of the local currency generations. The Memorandum of Understanding signed on December 11, 1982, provides for the deposit of all proceeds from the sale of the commodities. The Mission and the GODR have estimated this amount for the FY-1983 program to be Pesos \$29 million (as compared to the official \$18.0 million dollar equivalent amount of the FY-1983 program, as was the basis in previous years). When the actual sale takes place all of the proceeds that result from the specific delivery will be the amount required to be deposited. Thus, the sales proceeds available for development purposes will be maximized and INESPRES will be made more aware of the real cost of imports to the economy and the possible impacts on price support programs. This provision will be included in all future programs and will be further refined to better provide for maximum and timely usage of the local currency proceeds for development purposes.

The foregoing activities are designed to lay the groundwork on which future PL-480 negotiations can be focused more meaningful on a GODR commitment to specific negotiated policy objectives.

The strategy for the design of specific FY-1985 self-help measures will be similar to that followed during recent years. Most self-help measures will, therefore, be designed to expand the impact and coverage of our major loan and grant funded programs. Particular attention will be given to directly supporting our currently ongoing agriculture sector projects. Since the field level activities under our existing and planned portfolio of projects emphasize the development and promotion of increased small farmer productivity, we believe that an expansion of these activities through the FY-1985 Title I program to other areas, for example, would be the most effective way to support activities which will help fill the current and continuing food gap and, at the same time, interact and support the AID program.

Accordingly, the FY-1985 PL-480 generations will be used to supplement and complement the AID programs of natural resources conservation, on-farm water management, agricultural sector training, agricultural diversification, rural financial market development, rural road access, and rural health improvement and disease control. Continuation of swine repopulation activities is also expected. These activities will be fully integrated with ongoing Mission programs in these areas.

B. Food Production Situation

The overall agricultural production during 1982 remained at about the same level as the previous year. The expected increases did not

materialize as investment was slowed due to a general downward pattern in the overall economy. Also, as 1982 was a presidential election year, much attention and resources at the national level were directed away from agriculture.

Agricultural imports for 1982 are estimated at US\$245 million. Food and feed grains, protein meal and edible oils comprised the major portion of this total.

The GODR agricultural policies are geared towards: 1) improving the nutritional level of the country; 2) improving the distribution of income to farmers; 3) increasing production and productivity; 4) reducing food imports; 5) improving the land tenure system, and 6) improving living conditions in the rural sector.

While no major shifts in agricultural policy were noted during 1982, as the country was caught up in a presidential campaign in the early part of the year, certain new directions were nevertheless taken. These directions were the result of a serious effort to alleviate the severe foreign exchange deficit in the country. As a result, on August 19 the newly selected President Salvador Jorge Blanco issued decree No. 71 (see Santo Domingo 5838 dated August 20, 1982) banning imports of a wide range of products including food for a one year period. Exceptions to the ban were bulk commodities used in food and feed processing. Rice specifically was banned for importation.

The Secretariat of Agriculture has taken steps to concentrate its efforts and limited resources towards production of several key items basic to the Dominican diet and economy rather than attempting to solve all problems facing all sectors. The items receiving the most attention

are: rice, green plantains, cassava, sweet potatoes, coffee, cocoa, tobacco, and livestock.

With the general slowdown of the Dominican economy and the resulting reduced budgetary outlays, agricultural plans have been adversely affected. Funds for many agricultural projects have been slashed resulting in a slowdown of many programs.

A leading oilseed processor has launched a program to plant a total of 1,600 hectares of African palm in a period of 5 years. By doing this, the private sector wants to demonstrate its cooperation in moving towards food self-sufficiency. The plan is noble, however, the same infrastructural limitations facing other crops are sure to affect this product.

For 1983, total agricultural production is forecast to increase over the 1982 level. The reason for this is the government's increased emphasis on stimulating production of items basic to the Dominican diet such as rice, beans, plantains, vegetables, poultry and pork, milk and red meat.

The Secretary of Agriculture is stimulating production through increased producer prices and credit facilities to farmers. This policy seems geared toward a limited number of key products rather than previous attempt to stimulate all sector of agriculture.

Commodities showing the greatest increases in production are expected to be: rice (up 7%), corn (up 8%), sorghum (up 15%), and beef (up 7%). Despite such increases, the country will still be in a deficit position for such products as feed grains, vegetable oils, and protein meals. As in the past, all wheat needs will have to be imported as no wheat is produced in the country.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Corn	11.7	120		10.0	100		12.0	120	
Vegetable Oil	11.3	25		10.0	22		10.0	22	
Total	23.0	145		20.0	122		22.0	142	
Of which <u>Title III</u>									
Total									

COMMENT:

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XII

ABS-93

Country/Office Dominican Republic

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1984</u>	<u>Estimated FY 1985</u>
<u>Commodity - Corn/Sorghum</u>	4	14
Beginning Stocks	60	70
Production		
Imports		
Concessional	240	250
Non-Concessional		
Consumption	290	320
Ending Stocks	14	14
<hr/>		
<u>Commodity - Vegetable Oils</u>		
Beginning Stocks	5	5
Production	12	12
Imports	75	78
Concessional		
Non-Concessional	87	89
Consumption		
Ending Stocks	5	6
<hr/>		
<u>Commodity - _____</u>		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

FY-1985 ANNUAL BUDGET SUBMISSION
 TABLE XIII -- PL-480 TITLE II
 COUNTRY: DOMINICAN REPUBLIC

ABS-94

I. CARE (FY-1984)

A. Maternal and Child Health ----- Total Recipients: 95,000

	Number of Recipients	Name of Commodity	(In Thousand Dollars)	
			Kilograms	Dollars
Mothers	19,000	Wheat Flour	205.2	51,505
	19,000	Cornmeal	205.2	34,474
	19,000	Bulgur	205.2	50,890
	<u>19,000</u>	NFD Milk	<u>205.2</u>	<u>22,572</u>
Total	<u>19,000</u>		<u>820.8</u>	<u>159,441</u>
Children	76,000	Wheat Flour	820.8	206,021
	76,000	Cornmeal	820.8	137,894
	76,000	Bulgur	820.8	203,558
	<u>76,000</u>	NFD Milk	<u>820.8</u>	<u>90,288</u>
Total	<u>76,000</u>		<u>3,283.2</u>	<u>637,761</u>

B. Other Child Feeding--Institutional ----- Total Recipients: 3,000

	3,000	Wheat Flour	43.2	10,843
	3,000	Cornmeal	43.2	7,258
	3,000	Bulgur	43.2	10,714
	3,000	Vegetable Oil	14.4	12,384
	<u>3,000</u>	NFD Milk	<u>32.4</u>	<u>3,564</u>
Total	<u>3,000</u>		<u>176.4</u>	<u>44,763</u>

C. Other Child Feeding--RADECO ----- Total Recipients: 1,000

	1,000	Wheat Flour	9.6	2,410
	1,000	Cornmeal	9.6	1,613
	1,000	Bulgur	9.6	2,381
	1,000	Vegetable Oil	2.4	2,064
	<u>1,000</u>	NFD Milk	<u>10.8</u>	<u>1,188</u>
Total	<u>1,000</u>		<u>42.0</u>	<u>9,656</u>

D. Pre-School Child Feeding ----- Total Recipients: 18,000

	18,000	Wheat Flour	172.8	43,373
	18,000	Cornmeal	172.8	29,030
	18,000	Bulgur	172.8	42,854
	18,000	Vegetable Oil	43.2	37,152
	<u>18,000</u>	NFD Milk	<u>194.4</u>	<u>21,384</u>
Total	<u>18,000</u>		<u>756.0</u>	<u>173,793</u>

TOTAL CARE 117,000 5,078.4 1,025,414

NOTE: Estimated dollar values based on CCC prices in State 122693 of May 11, 1983.

II. CATHOLIC RELIEF SERVICES (FY-1984)A. Maternal and Child Health ----- Total Recipients: 32,000

	Number of Recipients	Name of Commodity	(In Thousand Dollars)	
			Kilograms	Dollars
Mothers	8,000	Soy Bean Oil	43.2	37,152
	8,000	Cornmeal	43.2	7,258
	8,000	S.F. Wheat Flour 1/	43.2	13,262
	8,000	Bulgur	86.4	21,427
	8,000	NFD Milk	86.4	9,504
	8,000	CSM	86.4	20,217
Total	8,000		388.8	108,820
Children	24,000	Soy Bean Oil	129.6	111,456
	24,000	Cornmeal	129.6	21,773
	24,000	S.F. Wheat Flour 1/	129.6	39,787
	24,000	Bulgur	259.2	64,282
	24,000	NFD Milk	259.2	28,512
	24,000	CSM	259.2	60,653
Total	24,000		1,166.4	326,463

C. Other Child Feeding--Institutional ----- Total Recipients: 6,000

	6,000	Soy Bean Oil	32.4	27,864
	6,000	Cornmeal	32.4	5,443
	6,000	S.F. Wheat Flour 1/	97.2	29,841
	6,000	Bulgur	64.8	16,070
	6,000	CSM	97.2	22,745
Total	6,000		324.0	101,963

E. Food for Work ----- Total Recipients: 65,000

Workers	13,000	Soy Bean Oil	70.2	60,372
	13,000	Cornmeal	140.4	23,587
	13,000	S.F. Wheat Flour 1/	70.2	21,551
	13,000	Bulgur	140.4	34,819
	13,000	CSM	70.2	16,427
Total	13,000		491.4	156,756
Dependents	52,000	Soy Bean Oil	280.8	241,488
	52,000	Cornmeal	561.6	94,349
	52,000	S.F. Wheat Flour 1/	280.8	86,206
	52,000	Bulgur	561.6	139,277
	52,000	CSM	280.8	65,707
Total	52,000		1,965.6	627,027
TOTAL CRS	103,000		4,336.2	1,321,029

1/ CRS has programmed S.F. Flour instead of Wheat Flour. There is an overall difference in price of \$34,776.

III. CHURCH WORLD SERVICE (FY-1984)A. Maternal and Child Health ----- Total Recipients: 2,000

	Number of Recipients	Name of Commodity	(In Thousand Dollars)	
			Kilograms	Dollars
Mothers	500	WSB	6.0	7,594
	500	NFD Milk	5.4	594
	500	Bulgur	2.4	595
	500	Wheat Flour	2.4	602
	500	Vegetable Oil	2.4	2,064
	500	Cornmeal	8.4	1,411
Total	<u>500</u>		<u>27.0</u>	<u>7,594</u>
Children	1,500	WSB	18.0	6,984
	1,500	NFD Milk	16.2	1,782
	1,500	Bulgur	7.2	1,786
	1,500	Wheat Flour	7.2	1,807
	1,500	Vegetable Oil	7.2	6,192
	1,500	Cornmeal	25.2	4,234
Total	<u>1,500</u>		<u>81.0</u>	<u>22,785</u>

E. Food for Work ----- Total Recipients: 7,000

Workers	1,400	WSB	8.7	3,376
	1,400	Bulgur	14.8	3,670
	1,400	Wheat Flour	14.8	3,715
	1,400	Vegetable Oil	3.4	2,924
	1,400	Cornmeal	23.5	3,948
Total	<u>1,400</u>		<u>65.2</u>	<u>17,633</u>
Dependents	5,600	WSB	35.0	13,580
	5,600	Bulgur	59.1	14,657
	5,600	Wheat Flour	59.1	14,834
	5,600	Vegetable Oil	13.4	11,524
	5,600	Cornmeal	94.1	15,809
Total	<u>5,600</u>		<u>260.7</u>	<u>70,404</u>
TOTAL CWS	<u>9,000</u>		<u>433.9</u>	<u>118,416</u>

S U M M A R Y

Number of Recipients	Recipient Category	(In Thousand Dollars)	
		Kilograms	Dollars
27,500	MCH -- Mothers	1,236.6	275,855
101,500	MCH -- Children	4,530.6	987,009
9,000	OCF -- Institutional	500.4	146,726
1,000	OCF -- RADECO	42.0	9,656
18,000	Pre-School CF	756.0	173,793
14,400	FFW -- Workers	556.6	174,389
57,600	FFW -- Dependents	2,226.3	697,431
229,000	TOTALS	9,848.5	2,464,859

I. CARE (FY-1985)

		Total Recipients: 105,000	
	Number of Recipients	Name of Commodity	(In Thousand Dollars) Kilograms Dollars
A. <u>Maternal and Child Health</u> -----			
Mothers	21,000	Wheat Flour	226.8 57,607
	21,000	Cornmeal	226.8 38,783
	21,000	Bulgur	226.8 56,700
	<u>21,000</u>	NFD Milk	<u>226.8 24,948</u>
Total	<u>21,000</u>		<u>907.2 178,038</u>
Children	84,000	Wheat Flour	907.2 230,429
	84,000	Cornmeal	907.2 155,131
	84,000	Bulgur	907.2 226,800
	<u>84,000</u>	NFD Milk	<u>907.2 99,792</u>
Total	<u>84,000</u>		<u>3,628.8 712,152</u>
B. <u>Other Child Feeding--Institutional</u> -----			
	3,000	Wheat Flour	43.2 10,973
	3,000	Cornmeal	43.2 7,387
	3,000	Bulgur	43.2 10,800
	3,000	Vegetable Oil	14.4 13,017
	<u>3,000</u>	NFD Milk	<u>32.4 3,564</u>
Total	<u>3,000</u>		<u>176.4 45,741</u>
C. <u>Other Child Feeding--RADECO</u> -----			
	1,000	Wheat Flour	9.6 2,438
	1,000	Cornmeal	9.6 1,642
	1,000	Bulgur	9.6 2,400
	1,000	Vegetable Oil	2.4 2,170
	<u>1,000</u>	NFD Milk	<u>10.8 1,188</u>
Total	<u>1,000</u>		<u>42.0 9,838</u>
D. <u>Pre-School Child Feeding</u> -----			
	18,000	Wheat Flour	172.8 43,891
	18,000	Cornmeal	172.8 29,549
	18,000	Bulgur	172.8 43,200
	18,000	Vegetable Oil	43.2 39,053
	<u>18,000</u>	NFD Milk	<u>194.4 21,384</u>
Total	<u>18,000</u>		<u>756.0 177,077</u>
TOTAL CARE	<u>127,000</u>		<u>5,510.4 1,122,846</u>

NOTE: Estimated dollar values based on OCC prices in State 122958 of May 11, 1983.

II. CATHOLIC RELIEF SERVICES (FY-1985)A. Maternal and Child Health ----- Total Recipients: 42,000

	Number of Recipients	Name of Commodity	(In Thousand Dollars)	
			Kilograms	Dollars
Mothers	10,000	Soy Bean Oil	57.5	51,980
	10,000	Cornmeal	57.5	9,832
	10,000	S.F. Wheat Flour	57.5	17,825
	10,000	Bulgur	115.2	28,800
	10,000	NFD Milk	115.2	12,672
	10,000	CSM	115.2	27,418
Total	<u>10,000</u>		<u>518.1</u>	<u>148,527</u>
Children	32,000	Soy Bean Oil	172.2	155,669
	32,000	Cornmeal	172.2	29,446
	32,000	S.F. Wheat Flour	172.2	53,382
	32,000	Bulgur	345.5	86,375
	32,000	NFD Milk	345.5	38,005
	32,000	CSM	345.5	82,229
Total	<u>32,000</u>		<u>1,553.1</u>	<u>445,106</u>

B. Other Child Feeding--Institutional ----- Total Recipients: 6,000

	6,000	Soy Bean Oil	32.4	29,290
	6,000	Cornmeal	32.4	5,540
	6,000	S.F. Wheat Flour	97.2	30,132
	6,000	Bulgur	64.8	16,200
	6,000	CSM	97.2	23,134
Total	<u>6,000</u>		<u>324.0</u>	<u>104,296</u>

E. Food for Work ----- Total Recipients: 75,000

Workers	15,000	Soy Bean Oil	81.0	73,224
	15,000	Cornmeal	162.0	27,702
	15,000	S.F. Wheat Flour	81.0	25,110
	15,000	Bulgur	162.0	40,500
	15,000	CSM	81.0	19,278
Total	<u>15,000</u>		<u>567.0</u>	<u>185,814</u>
Dependents	60,000	Soy Bean Oil	324.0	292,896
	60,000	Cornmeal	644.0	110,124
	60,000	S.F. Wheat Flour	324.0	100,440
	60,000	Bulgur	648.0	162,000
	60,000	CSM	324.0	77,112
Total	<u>60,000</u>		<u>2,264.0</u>	<u>742,572</u>
TOTAL CRS	<u>103,000</u>		<u>5,226.2</u>	<u>1,626,315</u>

III. CHURCH WORLD SERVICE (FY-1985)A. Maternal and Child Health ----- Total Recipients: 2,000

	Number of Recipients	Name of Commodity	(In Thousand Dollars)	
			Kilograms	Dollars
Mothers	500	WSB	6.0	2,352
	500	NFD Milk	5.4	594
	500	Bulgur	2.4	600
	500	Wheat Flour	2.4	610
	500	Vegetable Oil	2.4	2,170
	<u>500</u>	<u>Cornmeal</u>	<u>8.4</u>	<u>1,436</u>
Total	<u>500</u>		<u>27.0</u>	<u>7,762</u>
Children	1,500	WSB	18.0	7,056
	1,500	NFD Milk	16.2	1,782
	1,500	Bulgur	7.2	1,800
	1,500	Wheat Flour	7.2	1,829
	1,500	Vegetable Oil	7.2	6,509
	<u>1,500</u>	<u>Cornmeal</u>	<u>25.2</u>	<u>4,309</u>
Total	<u>1,500</u>		<u>81.0</u>	<u>23,285</u>

E. Food for Work ----- Total Recipients: 7,000

Workers	2,000	WSB	12.4	4,861
	2,000	Bulgur	21.1	5,275
	2,000	Wheat Flour	21.1	5,359
	2,000	Vegetable Oil	4.9	4,430
	<u>2,000</u>	<u>Cornmeal</u>	<u>33.6</u>	<u>5,746</u>
Total	<u>2,000</u>		<u>93.1</u>	<u>25,671</u>
Dependents	8,000	WSB	50.0	19,600
	8,000	Bulgur	84.4	21,100
	8,000	Wheat Flour	84.4	21,438
	8,000	Vegetable Oil	19.1	17,266
	<u>8,000</u>	<u>Cornmeal</u>	<u>134.4</u>	<u>22,982</u>
Total	<u>8,000</u>		<u>372.3</u>	<u>102,386</u>
TOTAL CWS	<u>9,000</u>		<u>573.4</u>	<u>159,104</u>

S U M M A R Y

Number of Recipients	Recipient Category	(In Thousand Dollars)	
		Kilograms	Dollars
31,500	MCH -- Mothers	1,452.3	334,327
117,500	MCH -- Children	5,262.9	1,180,543
9,000	OCF -- Institutional	500.4	150,037
1,000	OCF -- RADECO	42.0	9,838
18,000	Pre-School CF	756.0	177,077
17,000	FFW -- Workers	660.1	211,485
68,000	FFW -- Dependents	2,636.3	844,958
<u>262,000</u>	<u>TOTALS</u>	<u>11,310.0</u>	<u>2,908,265</u>

TITLE II PROGRAM NARRATIVEI. INTRODUCTION

In spite of the relatively attractive per capita income figures for the Dominican Republic, the distribution of that income is highly concentrated, leaving large numbers of the Dominican populous below what could be considered an acceptable standard of living. In many sections of the country, poverty and malnutrition remain the norm rather than the exception.

The Dominican Republic continues to face serious malnutrition in many of the poorer rural regions of the country. Surveys show that up to 75% of the Dominican population is estimated to be undernourished. Central Bank household survey statistics show that almost 50% of the population consumes an average of 1,424 calories/day and 28.26 grams of protein per day which is very much below the minimum requirement, while another 25% has a daily intake of 2,054 calories/day and 51.7 grams of protein per day which is also below the recommended levels.^{1/}

Malnutrition is not the only problem in these areas. Services in the areas of health, education, and agriculture, which should be provided by the government, simply are not reaching these communities. Due to the present austerity program, which the GODR had to impose in response to economic realities, it is unlikely that the outreach and extension services

^{1/} The minimum recommended level of caloric and protein intake, of course, depends on the individual's age, size, workload, and in the case of women, whether or not they are lactating. According to the National Planning Office (ONAPLAN), the daily recommended levels range up to 3,000 calories and up to 62 grams of protein.

for the poorer communities will significantly improve. Therefore, in order for the development to take place in the rural communities, other resources must be sought--from other donors, and more importantly, from the communities themselves.

In 1982, USAID, in full cooperation with the three Title II voluntary agencies and their counterparts,^{1/} conducted an evaluation of the PL-480 Title II Program, at which time four agencies, along with other counterparts, visited and assessed the Title II projects in the field. One important result of this evaluation was that the agencies achieved a high level of cooperation, which has become a significant strength of the program. The evaluation was followed by an audit, which identified weaknesses in the food management aspects of the program.

USAID and the three voluntary agencies, as a follow-up to the evaluation, are in the process of designing a Three-Year Plan (FY's 1984-1985-1986). This is being done to meet several purposes:

- A. Overcome program weaknesses identified in the audit and the evaluation.
- B. Ascertain a unified criteria for project selection and beneficiary selection for the purpose of better targeting the program.
- C. Determine project objectives with verifiable indicators, which can be used for the purpose of measuring progress and/or accomplishment.

1/ U.S. Voluntary Agencies:
 Catholic Relief Services (CRS)
 Church World Service (CWS)
 CARE

D.R. Counterparts:
 CARITAS
 Servicio Social de Iglesias
 Dominicanas (SSID)
 Secretariat of Education and
 Secretariat of Public Health

In the process of moving from food distribution to a development mode, one thing in particular has become apparent--food resources alone are not enough to effectively accomplish development objectives. A significant amount of USAID and AID/W funds for technical assistance and logistical costs have been already provided for designing the plan. Implementation of the plan will require larger amounts of resources, both cash and in-kind assistance. These requirements will be more clearly identified in the Three-Year Plan.

The following strategies for meeting these needs will be considered:

A. Monetization (Section 206) of the food to pay for some of the costs in food management as well as for development activities. For FY-1984, all three voluntary agencies have requested levels below what they are allowed in an effort to "tighten up" their programs and free-up resources for possible monetization.

B. Integration of Title II projects with other AID development projects. This has already taken place with the animal trails component of the Rural Roads II program; the Radio Community Education program, which will begin to use food in FY-1984; and the Health and Nutrition OPG, which will share some of the nutrition education resources with the Title II programs; and many Title II communities are now requesting SDAF assistance for their projects.

C. Integration with development projects of other organizations. The Secretariats of Public Health and of Education have had full participation in the designing of the plan; other organizations have also participated, such as the Office of Community Development, Plan Sierra,

Foresta, INDESUR, Center for the Improvement of the Small Farmer, and Peace Corps. In the process, some ideas have arisen involving co-participation in projects.

D. Integration within the agencies themselves. Most of the voluntary agencies have nutritionists and agronomists who up to now have been dedicated strictly to "non-food" activities. Recently, however, they have participated in Title II activities and training sessions.

E. Procurement of mini-computers which, when coupled with training and software, should significantly reduce staff time required for Title II reporting and, at the same time, do it more efficiently.

II. PROGRAM OVERVIEW

Over the last year, the voluntary agencies have increased and otherwise improved their managerial staff: CARE has brought in a U.S. Assistant Director, and will soon have an additional regional supervisor; CRS has hired a FSN at the supervision level; and SSID now has an American CWS resident representative. These new managers are quickly becoming familiar with the program and assisting in identifying areas and means of needed improvement. The voluntary agencies have also explored and identified an appropriate mini-computer, which will enhance their managerial and reporting capabilities, and they are now seeking sources of funding to purchase it.

USAID has strengthened its role in the program by coordinating follow-up activities to the evaluation and audit. In preparing the FY-1984 AERs, ration levels have been calculated based on the Commodities

Reference Guide levels. Targeting of the projects will be improved based on development of criteria in the Three-Year Plan, whereby selection of projects and of beneficiaries will be more clearly identified. The same is true of the Title II Program strategy, since a development objective for each project will be required.

The infrastructure for food distribution in the Dominican Republic is generally very good, and with relatively few losses. There are two ports used in the program--one in Santo Domingo and one in Haina (12 kms. west of Santo Domingo), both of which are adequate for program purposes. There is a need, however, to restore the system whereby Title II food unloaded from the ship would go directly to the truck, thus reducing losses while the food passes through customs.

The central warehouse capacity is also good. Government warehouses are used free of charge and have a capacity far beyond current program needs. (CARE: 3 million pound capacity; CRS: 10 million pound capacity; and SSID: 800,000 pound storage capacity.) CRS has ceased using one of its warehouses due to continual rat and insect infestation, but the capacity of its other warehouse far exceeds CRS' storage needs.

Each voluntary agency has a system of surveillance and control and keeps USAID informed of those activities. In each case, the food management system is in the process of being improved through training of supervisors and an increase in the quality and quantity of site visits. Once development objectives and measurable indicators are identified for each project category in the Three-Year Plan, the inspectors of the sites should be able to review both food management and development aspects of the projects.

USAID is also strengthening its role in monitoring the program. The role of the FSN Title II Monitor has been more specifically defined, and visits to the field have increased considerably. Reports on his findings are sent to the voluntary agencies with recommended corrective actions. In addition, USAID has contracted a secretary for the Title II program, and is in the process of contracting a Title II Manager. This increased staff is considered adequate to handle a moderately sized Title II program.

III. SPECIFIC PROGRAMS

There are basically four types of Title II programs operating in the Dominican Republic: Nutrition Programs, including Maternal/Child Health (MCH), Other Child Health (OCH), and Pre-School Feeding (PS); and Rural Development Programs under Food for Work (FFW).

A. Nutrition Programs

I. Maternal/Child Health (MCH)

The MCH program is the largest Title II program in terms of beneficiaries (56.3% of Title II beneficiaries), and the only program in which all three voluntary agencies participate. While the food is being distributed to the needy beneficiaries, a nutrition education component is being added to the program, where feasible. Each voluntary agency has its unique approach to the MCH program.

The CRS program has the following objectives to their MCH program: (1) to provide supplementary food to encourage an adequate diet for pre-school children and women of child bearing age; (2) to educate mothers in nutrition and child care; (3) to develop a local capacity to

operate self-sustaining community nutrition activities; and (4) to coordinate activities with other nutrition programs, particularly the Applied Nutrition Education Program (ANEP). In addition to these objectives, many "spin off activities" take place such as sewing groups, literacy classes, cooperative training, home gardens, and mother's clubs.

With CARE, the program functions nationwide through distribution centers and rural health clinics of the Secretariat of Public Health, as well as on sugar plantations (with the State Sugar Council), and agrarian reform settlements (with the Agrarian Reform Institute). In addition to improving the nutritional intake, the CARE MCH program also includes nutrition education, literacy training, and nutrition surveillance. Of particular interest is CARE's proposed pilot project, which would link an MCH center with a vegetable garden and a fish pond. Pending success, this will have possibilities of being expanded nationwide.

CWS/SSID, through its surveys, has found high incidence of a lack of an adequate food supply, coupled with a lack of knowledge (and superstitions) of nutritional foods, and poor hygiene. In response, CWS has the following program objectives: (1) reduce the incidence of malnutrition through the education of mothers of malnourished children in the areas of nutrition and health;(2) recuperation of the malnourished children in the program utilizing simple, familiar facilities, and locally available and inexpensive resources; and (3) participation of mothers in the recuperation of their children. In addition to PL-480 foods, CWS uses medicines, as well as seeds for vegetable gardens in their program. An

education component focusses on nutrition, hygiene, environmental health, responsible parenthood, and handicrafts.

2. Other Child Health (OCH)

There are three OCH programs contemplated for FY-1984: CARE OCH (institutional), CARE OCH (non-institutional), and CRS OCH (institutional).

The CARE institutional OCH program provides supplemental foods to State hospitals, particularly pediatric and obstetrical wards, orphanages, and special schools. The program is supervised by the Secretariat of Health.

The CARE non-institutional OCH program will link the Title II program with the AID centrally-funded Radio Education Project (RADECO) by distributing food to the participating students, and coupling this with nutrition education by radio.

The CRS institutional OCH program will support orphanages and home-school institutions. Where possible, the feeding will be used as an incentive to grow vegetables gardens at the institutions.

3. Pre-School Feeding Program (PS)

CARE has a pre-school feeding program implemented through the Secretariat of Education. In addition to providing needed food to the young recipients, this program proposes to reduce the high incidence of primary school dropouts, by giving underprivileged children a "head start" in the learning process.

B. Rural Development

1. Food for Work (FFW)

Both CWS and CRS have FFW programs. Although the development objective of the FFW projects is the successful completion of the

task at hand, some nutrition education will be woven into the program, where possible. The Rural Development Workshop, which was held in connection with development of the Three-Year Plan, identified six areas of FFW activities: (1) transportation systems; (2) development of community organizations; (3) conservation of natural resources; (4) agricultural and livestock production; (5) water and sanitation; and (6) education. Each of these project areas is being identified in terms of criteria for selection, development objectives, and development indicators. In addition, non-food resources required for the success of the projects, are being identified. Most of these projects address the poverty problem, and will result directly or indirectly in the increase of income in the rural community.

IV. FUTURE YEAR PLANNING

During the period affected by the Three-Year Plan (FY's 1984-1985-1986), only incremental increases as indicated by the AAPL levels should be required in terms of food needs. However, to have an effective developmental impact, several non-food resources will be required to cover the increased costs that this implies. Physical and financial resources that USAID and AID/W have been able to mobilize, and integration of Title II projects into our DA program have been helpful, but to monetize 10% of the food would be a big boost to the success of the program.

With successful implementation of the Three-Year Plan, the voluntary agencies will, then, be prepared (in FY-1987) to increase their levels, will be capable of managing these levels, and will be able to demonstrate

how a Title II program can have a successful development, as well as a nutritional impact.