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EVALUATION OF THE AID-PL480 LOCAL CURRENCY PROGRAM

VOL. II

SUMMARIES OF EVALUATED PROJECTS

C O N T E N T S

	<u>Pages</u>
Persons Contacted During the Evaluation	1-12
Index of Evaluated Projects .	13-15
Projects of Short Run Economic Stabilization (8)	16-31
Projects Strengthening Private Sector Enterprise (14)	32-57
Diversification of Agricultural and Non-Traditional Crops (6)	58-68
Improvement of Physical, Social, and Institutional Infrastructure (4d)	59-160
Other Projects (4)	161-167
Projects Approved Previously (1)	168-169

PERSONS CONTACTED DURING THE EVALUATION

PERSONAS CONTACTADAS

AGENCIA PARA EL DESARROLLO INTERNACIONAL (AID)

Henry H. Bassford	-Director de USAID/RD
Harry Armstrong	-Jefe Oficina de Desarrollo de Proyectos Capitales-USAID/RD
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Benito Enríquez	-Legal Advisor
Clara Kirmse	-Secretaria
Marion Ford	-Rural Development Officer
Erhardt Ruppecht	-Assistant Rural Development Officer
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Elisané de Moya	-Contadora, Oficina del Controller
Bill Smith	-Chief, Division of Engineering
Ing. Manolo Valdéz	-Division de Engineering
Ing. Ramón Delgado	-Division Energy
Ing. Leo López	-Division de Engineering
Ing. Rafael Genao	-Division de Engineering
Ken Lanza	-Director Private Sector
Manuel Nin	-Financial Analysis
José Nelton González	-Chief Project Accountant

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Departamento de Coordinación

Miguel Angel Díaz	-Enc. de la Unidad Coordinadora
Ramón Sánchez	-Sub-Encargado de la Unidad Coordinadora
*Héctor Martínez	-Enc. Unidad de Auditoría
*Jaime Luis Bou	-Asesor Técnico-Evaluador de Proyectos
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*Ing. Ramón Encarnación	-Ing. Técnico Seguimiento
*Sonia Schott	-Ing. Agrónoma
Alejandro Miranda	-Enc. Centro de Computos
Jacobo Fernández	-Enc. Unidad de Proyectos
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Ruth Arias	-Técnico en Comercialización
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María del Carmen Suárez	-Secretaria
Sara Melo	-Secretaria
Xiomara Concepción	-Secretaria

Personas Contactadas (2)

ASOCIACION PARA EL DESARROLLO DE MICRO-EMPRESAS (ADEMI)

Mirtha Olivares	-Directora Ejecutiva
Demetrio Mota	-Sub-Director
Sara Novoa de Ramirez	-Secretaria-Azua
Rómulo Urraca	-Asesor CATESU (Centro Asistencia Técnica del Sur)
Rafael Martínez	-Técnico Oficina Central

MUJERES APLICADAS A LA INDUSTRIA (MAI)

Ada Balcazar	-Directora Ejecutiva
Ada Ventura	-Gerente Financiero
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Rita Pantaleón	-Delegada
Hucenia Rosario	-Enc. de Proyectos Sociales

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Calixto Castillo	-Gerente de Desarrollo Rural
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Ignacio de los Reyes Peña	-Director Area de Loma Cabrera
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César Cuevas	-Programa Capacitación
Elpidio Ulloa	-Programa Capacitación
Radamés Gutiérrez	-Programa Patrocinio
Guillermo Espinal	-Programa Patrocinio
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Personas Contactadas (3)

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Camilo Rodríguez	-Ing. Supervisor del Distrito
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Personas Contactadas (7)

INSTITUTO NACIONAL DE LA VIVIENDA (INVI)

Ing. Rafael Suncar	-Enc. de la Ofic. Coord. del Proyecto
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Ing. Manuel Robles	-Zona Azua
Sotero León	-Presidente Asoc. Ofelia Arices del Proyecto La Ceiba

UNIVERSIDAD CATOLICA MADRE Y MAESTRA (UCMM)

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FONDO DE PREINVERSION (FONDOPREI)

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Ing. Rojas Guillen	-Ing. de Redes y Sub-Estaciones
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Ing. Jeremías Santana	-Jefe de Planta La Marina
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Ing. Kenneth Wketchum	-Asesor Burns & Roe Inc.
Ing. Felipe Maldonado	-Asesor CDE
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Ing. Rafael González	-Enc. de Planta Turbo Barahona
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Personas Contactadas (8)

BANCO AGRICOLA (BAGRICOLA)

Ramón Emilic Aquino	-Gerente de Programación
Walter Betances	-Sub-Gerente de Programación
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Antonio Cruz	-Asistente Depto. PL480
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Humberto Perdomo	-Gerente Sucursal-Azua
Dionicio Martínez	-Supervisor Programa-Café-Cacao, Sucursal Azua
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Loida Pérez	-Archivista, Sucursal Azua
Juan Domínguez	-Enc. del Satélite Padre Las Casas Azua
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MANEJO DE RECURSOS NATURALES (MARENA)

Máximo Aquino	-Encargado del Proyecto
Zarmia Haché	-Enc. del Presupuesto, Evaluación y Administración del Proyecto

ORGANIZACIONES DE CREDITO INTERMEDIO

Rafael Holguín	-Segundo Vice-Presidente, Gerente de Préstamos, Financiera Empresarial
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Personas Contactadas (9)

ORGANIZACIONES DE CREDITO INTERMEDIO

Francisco Meza	-Jefe Depto. FIDE del Banco Agrícola
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Martha de Rodríguez	-Secretaria Contadora
Rafael Romero	-Jefe Oficina Santiago

ODODOOP

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Osmar Benites	-Gerente de Proyectos
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Ing. Fernando Galarza	-Gerente de Supervisión de Construcción

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Ing. Angel Galarza -Supervisor Caminos Vecinales PL480
Ing. Prudencio Fortuna -Supervisor Zonas Caminos Vecinales
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Ing. Mieczyslaw F. Serbicki -Director del Proyecto Carretera Duarte

Ingeroute-Hanson Rodriguez, S. A.

Ing. Favio Acosta -Residente de Supervisión Carretera
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Augusto Rodríguez G. -Presidente Director de Proyectos

SERCITEC

Ing. Epifanio Torres -Asistente del Residente de Supervisión

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Ing. Fernando Ramírez -Contratista, Tramo Tenares-San
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José Rodríguez -Representante del Gobierno ante
Reforma Agraria San Francisco de
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INSTITUTO DOMINICANO AGRARIO (IDA)

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Personas Contactadas (11)

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Adan Paredes	-Supervisor Regional en el Seibo
Héctor Romero	-Enc. de Producción de Semillas en el Seibo
Juan Lars	-Coordinador General de los Proyectos Ejecutados por la AID
Melania de los Santos	-Gerente Financiero 98-DO-PL480-84
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Dario Segura	-Coordinado al Departamento de Recursos Externos

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Ramón Jiménez Martínez	-Intermediario Banco del Comercio Dominicano, Fantino
Rosaida Espaillat de Sapkovski	Intermediario del Banco del Comercio Dominicano

Talleres de Evaluación en Las Guarans. Participaron 18 campesinos usuarios del Banco Agrícola. Sucursal San Francisco de Macorís. Fondos de PL-480.

Talleres de Evaluación LA PESA participaron 10 campesinos usuarios del Proyecto Café, Cacao-2023 DO del Banco Mundial PL-480 y financió la contrapartida.

USUARIOS AGROINDUSTRIALES DEL FIDE

Cooperativa Amor y Paz	-Reunión con siete dirigentes en Cotuí
Exportadora Japonesa	-Reunión con tres funcionarios
Consortio Agroindustrial	-Noestario de Exportación-Reunión con dos funcionarios
Arbajes Azua Industrial	-Reunión con Isafas Arbajes.
Procesadora San Martín de Porres	-Reunión con el representante Juan Núñez y cuatro trabajadores.

Personas Contactadas (12)

Industria Portela
Paul Ramos

-Aguacates para la Exportación-Usuarios
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USUARIOS DEL PRESTAMO AGRICOLA

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Carlos Pérez	-Sucursal Hato Mayor
Bernardo Segura	-Sucursal de Azua
Manuel León	-Sucursal de Azua
Daniel Gómez	-Sucursal San Francisco de Macorís
Olga Guzmán	-Sucursal San Francisco de Macorís

CENTRO DOMINICANO DE PROMOCION DE EXPORTACION (CEDOPEX)

Carlos Hernández

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Ing. Ramón Flores	-Coordinador General
Lic. Ramón Figueroa	-Contador

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Ing. Alejandro Alejandro	-Director Encargado
Ing. Mateo	-Ayudante del Director
Violeta Morrobel	-Enc. Depto. de Planificación

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Milagros Pou	-Secretaria del Director

ISA-CADER

Angel Castillo	-Director, Centro Administrativo de Desarrollo Rural
James Yanett	-Asesor Residente de AID

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INDEX OF PROJECTS EVALUATED

	<u>Page</u>
1. <u>Short Term Economic Stabilization</u>	
1-01 Analysis of Agricultural Policy (SEA/CNA)	16
1-03 Mobilization of Rural Savings (BAGRICOLA/Central Bank)	18
1-04 Program To Promote Agri-Industry and Exports (FIDE)	20
1-05 Small Food Producers (SEA/BAGRICOLA)	22
1-06 Agricultural Credit VI (BAGRICOLA)	24
1-07 Rice Credit/Rice Planting Program (BAGRICOLA)	26
1-08 Agricultural Credit Impact (CEMYB)	28
1-09 Design and Remodeling of Markets (ADN)	30
2. <u>Strengthening Private Sector Enterprise</u>	
2-01 Financial and Management Assistance to Micro-Enterprise (ADEMI)	32
2-02 Dominican Agricultural Insurance (ADACA)	35
2-03 Promotion of Agri-Industry (FIDE)	37
2-04 Development of Coffee and Cacao (SEA/BAGRICOLA)	39
2-05 Program of Business Technical Assistance (IESC)	42
2-06 Technical Assistance to Business and Industries (JAAC)	44
2-08 Export Strategy for 1986 (CEOPEX)	46
2-09 Identification/Promotion of Investment Opportunities (CIPROIN)	48
2-10 Support for the APHIS Laboratory	50
2-11 Support for the Seed Laboratory	51
2-12 Free Industrial Zone of Bani	52
2-13 Free Zone of La Romana	54
2-14 Industrial Free Zone of Santiago	56
3. <u>Diversification of Agricultural Production and Non-Traditional Crops</u>	
3-01 Support for the Agricultural Research Institute (IDIA)	58
3-02 Rapid Mariculture for the Centolla Crab (NATURA)	60
3-03 Management of Natural Resources (MARENA)	62
3-04 National Institute of Hydraulic Resources (INDRHI)	65
3-05 Administrative Center for Rural Development (ISA/CADER)	67
3-06 Various Projects - Haciendas Nigua (UNPHU)	68
4. <u>Improving Physical, Social, and Institutional Infrastructure</u>	
4-01 La Vega - Jarabacoa Road (SEOPC)	69
4-02 Duarte Road (SEOPC)	71
4-03 IBRD Road Project II (SEOPC)	74
4-04 Farm to Market Roads/AID (SEOPC)	76
4-05 Farm to Market Roads/BID (SEOPC)	79
4-06 Azua - San Juan Crossing (SEOPC)	81
4-07 Expansion and Improvement of the Port of Haina (SEOPC)	83
4-08 Rehabilitation of Rural Roads (SEOPC)	86
Evaluation Workshops: SEOPC Projects	88
4-09 Wave Breaker of Santo Domingo	90
4-10 Duarte Highway/Avenue 27 February Intersection (SEOPC)	92

<u>4. Improvement of Infrastructure (Continued)</u>	<u>Page</u>
4-11 Nizao-Valdesia Irrigation (INDRHI)	94
4-12 Sabaneta Irrigation (INDRHI)	96
4-13 AGLIPO Irrigation (INDRHI)	98
4-14 Rehabilitation Canals	100
Evaluation Workshops for INDRHI Projects	103
4-15 Yaque del Norte (INDRHI)	104
4-16 Haina I (CDE)	106
4-17 Haina V (CDE)	108
4-18 Rehabilitation of the Gas Turbine of San Pedro de Macoris (CDE)	110
4-19 Floating Thermo-Electric Plant Impedance (CDE)	112
4-20 Rehabilitation of Sub-Stations (CDE)	114
4-21 Rehabilitation of the Gas Turbine of Barahona (CDE)	115
4-22 Cooling System of the Central Installation of Haina(CDE)	116
4-23 Computer Cards P 50 (CDE)	117
4-24 Lopez Angostura (CDE)	118
4-25 Rehabilitation of Diesel Plants (CDE)	119
4-26 Rehabilitation of the Gas Turbine of Timbeque (CDE)	120
4-27 Transmission Line to the Tourist Zone (CDE)	121
4-28 Falconbridge Interconnection (CDE)	122
4-29 Rehabilitation of the Hydro-Electric Plant at Jimenoa(CDE)	123
4-30 Rehabilitation of Distribution Lines in Santo Domingo(CDE)	124
4-31 Planar III (INAPA)	125
4-32 Valle de Neyba (FEDA)	127
4-33 Construction of the Building for the Administrative Training Institute (UCMM)	130
4-34 Southern Housing Program with Integration P.M.A. (INVI)	132
4-36 Mining Exploration and Evaluation in Select Areas(ONU/DGM)	134
4-37 Technical Assistance to the Bramatological Laboratory	135
4-38 Consolidation of the Institutional Structure of the Cooperative Movement	136
4-39 Center for the Creation and Design of Product Development (MAI)	138
4-40 Financing and Assistance to Small Projects by Women(MUDE)	141
4-41 Integrated Rural Development Project	144
4-42 Institutional Training and Information Services (CEDOIS)	146
4-43 Support of Production in the Frontier Zone (FUDECO)	148
4-44 Reversion to Oxen (FSJ)	150
4-45 Dominican Foundation for the Development of Rural Youth (FUNDEJUR)	152
4-46 Conservation and Development of Energy Resources (COENER)	154
4-47 Improvement of Health Systems	156
4-48 PIDAGRO III (FEDA)	158
4-49 Coordinating Unit for the PL480-AID Local Currency Program	159
<u>5. Other Projects</u>	
5-01 Trust Fund (AID)	161
5-02 Trust Fund (Coordinating Unit)	162

5. <u>Other Projects (Continued)</u>	<u>Page</u>
5-03 Payment of the CUP	164
5-04 Import Costs	165
6. <u>Projects Approved Previously</u>	
6-01 Rice Credit	168

PROJECT SUMMARY

1-01

<u>Name of Project</u>	Analysis of Agrarian Policy	
<u>Location</u>	National Level	
<u>Executing Institution</u>	The Secretariat of State for Agriculture (SEA) and National Agricultural Council	
<u>Total Project Cost</u>		RDS 2,580,000
<u>Financing</u>		
AID	PL480 - 1984 517-K-0171/2	700,000 <u>1,880,000</u>
<u>Duration of the Project</u>	3 Years	<u>2,580,000</u>
<u>Date Initiated</u>	July 1985	
<u>Date Estimated to End</u>	June 1988	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not stated	

Overall Project Purpose

To strengthen the CNA as a leader in the formulation and decision making for national agricultural policy.

Specific Objectives/Activities

-To train technicians concerning agricultural policy and the use of micro-computers in the analysis of agrarian policy.	Not stated	2 seminars in country, 1 in USA
-International advisors.		2 consultants
-Institutional cooperation for the agricultural studies unit (EUA).		
-Documents and analytical studies.		5 studies completed, 5 in progress

Resources Planned and Spent

	<u>Programmed</u>	<u>Spent</u>
-Technical assistance	155,000	27,400
-Vehicles and equipment	60,000	53,755
-Training, Oct. 1984 - Oct. 1985	20,000	18,400
-Others	22,000	
	<u>257,000</u>	<u>99,555</u>
Budget 1985 (Oct.) - July 1986	<u>507,000</u>	<u>396,445</u>
		<u>496,000</u>

Agricultural Policy Analysis (Page 2)

General Comments

The project consists basically of a unit of agricultural studies (EUA) whose work is to generate studies, contract studies, and provide prime raw materials for the decision making in the agricultural sector. The CNA is a mechanism of debate to reach consensus. The project has as its personnel three Master's and one Doctorate.

Positive Aspects

In spite of having experience serious problems with disbursements, the progress of activities has been fairly good. They have a separate system of accounting for funds provided by AID. This accounting is managed by an accounting firm, and they have submitted annual reports to AID, but not to the coordinating unit.

Deficiencies

No trimestral reports have been submitted to the coordinating unit. The employees of the executing institution are ignorant of the terms of the project agreement. There is still no evidence that the studies being produced have achieved any significant change in agricultural policy.

Recommendations

It is necessary to visit this project every two months, at least, to assure improved compliance with the project agreement. It would be appropriate to read the studies produced to date in order to understand the relative quality between those produced by internal staff versus those produced by external advisors to the institution.

PROJECT SUMMARY

1-03

<u>Name of Project</u>	Mobilization of Rural Savings	
<u>Location</u>	Nationwide	
<u>Executing Institution</u>	The Agricultural Bank (programmatic part) Central Bank (financial management)	
<u>Total Project Cost</u>	RD\$ 1,510,000	
<u>Financing</u>		
AID	PL480/84	100,000
	PL480/85	450,000
Other Institutions GORD(counterpt.)	517-0171/2 (assigned)	960,000
<u>Duration of the Project</u>	4 years	1,510,000
<u>Date Initiated</u>	July 1984	
<u>Date Estimated to End</u>	Dec. 1988	

G O A L S

Planned Achieved

Coverage: Beneficiaries 1,000 30,000

Overall Project Purpose

To finance a pilot project in the mobilization of rural savings via the existing banking structure of the BAGRICOLA. It was initially intended to be a single pilot, but now extends to all bank branch offices.

4 branch offices.
No savings goals specified.

29 offices plus
12 branch satellite offices.
RD\$ 41.9 million in savings and deposits up to June 27, 1986.

Specific Objectives/Activities

- Campaign for savings mobilization
- Establish a capacity for investigation of rural financial markets
- Distribution of studies produced
- Institutional strengthening of BAGRICOLA by means of training and field supervision

Not specified

6 studies
Not specified
Not specified

7 studies
13 studies
Approx.150 persons.

Resources Planned and Spent

-Original budget (first stage)	650,000	446,201
-Surplus for the first stage	203,799	
-Total available for second stage \$550,000 + unspent balance	753,799	186,296 25%

<u>Detail of Expenditures</u>	<u>Planned</u>	<u>Achieved</u>
Staff of coordination office	91,020	36,585
Contracting of experts	14,928	10,300
Savings campaigns	93,928	33,181
Fund for liquidity reserve	100,000	20,000
Supportive investigations	145,128	63,993
Logistical support	83,808	9,563
Dissemination and seminars	147,661	9,425
Unforeseen expenses	77,563	4,366
	<u>753,799</u>	<u>187,413</u>
Various adjustments		(1,117)
		<u>186,296</u>

General Comments

This is a project initially designed as a pilot, but which from the very beginning was extended to all the branch offices of BAGRICOLA. It pays competitive interest to attract savings and fixed term deposits. Because it is implemented with the already existing personnel of the bank, the operating expenses of the project have not increased very much. The savings mobilized by this project remain in the possession of the branch office, helping it to resolve its problems of liquidity and providing incentives for future lending. Each branch office conducts its own programming of savings mobilization, informing its results to the central office of BAGRICOLA. The project has initiated an intensive training of personnel, workshops with managers, sub-managers, and credit agents. There is daily and weekly reporting of activities via short wave radio system. Technical and programmatic control of the project is in the hands of BAGRICOLA. Accounting control of the project is conducted by a little office in the Central Bank. The project has a total staff of ten persons, including three rural promoters who staff a mobile unit.

Positive Aspects

The initial growth of capitalization through savings and deposits has been very rapid (averaging R\$ 3.3 million per month). According to interviews conducted in the field, the consultants were able to detect a very favorable response on the part of the rural population. The fact that the capital remains in the branch office is very positive, permitting a greater democratization and local participation in the administration of the resources. Technical direction of the project is in the hands of an employee with 22 years of experience in the bank. The office of project coordination, located in the Central Bank, has an excellent accounting system, detailing sources and uses of funds. The publications of the project are abundant and are of excellent quality. The trimestral reports are made, and their contents are quite complete.

Deficiencies

None. It is an excellent project, well conceived, well administered, and with massive impact achieved with relatively modest investment.

PROJECT SUMMARY

1-04

<u>Name of Project</u>	Program for Agri-Industrial Promotion and Export	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Fund for Development and Investment (FIDE)	
<u>Total Project Cost</u>	RD\$ 113,100,000	
<u>Financing</u>		
AID	517-K-039	22,500,000
	517-K-039/B	12,000,000
	517-K-0171	10,000,000
<u>Duration of the Project</u>	25 years; grace period 10 years with 2% interest & 3% during amortization period.	44,500,000

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To provide credit for fixed investments and working capital for agri-industrial projects, as well as for export, via commercial banks, development banks, financial institutions, which serve as intermediaries.		
<u>Specific Objectives/Activities</u>		
-To finance agri-industrial loans	85 loans	90 loans for a value of RD\$ 43,919,335
-To finance reimbursement credits	50 credits	45 credits for a value of RD\$ 13,424,646
-To generate new jobs		6,629 new jobs
-Import substitution & expansion of internal demand		RD\$ 62,891,827
-Expansion of exports		US\$112,857,009
<u>Resources Planned and Spent</u>		
-Disbursements to June 31, 1986	RD\$ 39,500,000	
-Loans processed to June 31, 1986		46,844,000
-Financial advance		118%

FIDE Program for Agri-Industrial Promotion and Export (2)

General Comments

Lines of credit are authorized for quantities and conditions solicited by each package submitted to FIDE by commercial banks, financial institutions, and others. The credit intermediaries take their loans and repay in Dominican pesos. These in turn re-loan at 20% to final beneficiaries of the program, thereby gaining 5% of interest to financing eligible sub-loans and assuming the commercial risk of those loans.

Positive Aspects

The project measures its final results very explicit ways, although the methodology used to obtain the figures is not clear to the consultants. FIDE offers an excellent system of control. The project itself seems to be generating considerable demand, because in addition to the projects already approved, there are many projects under study.

Deficiencies

According to documentation available to the consultants, the amount of money spent on loans has been greater than the amount of funds disbursed from AID, which leads to the conclusion that some income from reflows or resources of FIDE itself have been used. The disbursement process has been delayed 30 to 40 days, almost four times that authorized in the implementation letter. In addition, the implementation letter specifies that 80% of the sub-loans should go to medium and small enterprises. In practice, only about 60% of the funds are going to that clientele. The coordinating unit has not put pressure on FIDE to submit trimestral reports.

Recommendations

That project reporting clearly specify loans financed with AID funds and identify clearly income earned from the payment of interest and capital, as well as loans made with these reflows.

That the reasons for the delay in project disbursements be investigated.

That a closer monitorship of projects presented to FIDE be conducted to assure that the remaining funds be allocated to small and medium sized enterprise.

PROJECT SUMMARY

1-05

<u>Name of Project</u>	Small Food Producers
<u>Location</u>	National Level
<u>Executing Institution</u>	The Secretariat of Agriculture (SEA) Agricultural Bank (BAGRICOLA)
<u>Total Project Cost</u>	Fund for Development Investment (FIDA) RDS 14,500,000
<u>Financing AID</u>	517-K-0171/2 1,500,000 PL480-1984 300,000 PL480-1985 350,000 2,500,000
<u>Duration of the Project</u>	4 years (but loan repayment period is 20 years)
<u>Date Initiated</u>	December 1982
<u>Date Estimated to End</u>	December 1986

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	26,000 persons	
<u>Overall Project Purpose</u> To improve the living conditions of small farmers and fisherman.	4,000 rural families and 400 fishermen	

Specific Objectives/Activities

-Credit to small farmers (4,000 families)		
-Construction of access roads	32 kms	
-Construction & execution of a BAGRICOLA sub-office		
-Construction of rural clinics	3	
-Construction of integrated rural development centers	6 CENSERI	2 centers
-Strengthening of SEA in technical assistance		
-Strengthening the Department of Control/Evaluation and the office of project coordination		

Resources Planned and Spent

-Programmed	650,000	
-Received in 3 disbursements	283,471	
-Expenditures		No data available on specific expenditures.

Small Food Producers (2)

General Comments

The amount of financing provided by AID (RD\$ 650,000) only represents 4% of the total value of the project, thus a separate bank account was not created to monitor AID resources. According to the department of accounting in BAGRICOLA, three disbursements from AID have been received for a total of RD\$ 283,471, in the following manner:

<u>Date</u>	<u>Value</u>
Sept.20, 1984	88,928.25
Dec.5, 1985	111,759.37
Feb.14, 1986	82,783.61
	<u>283,471.23</u>

The funds received do not correspond to the disbursements of RD\$ 300,000 and RD\$ 350,000 authorized by AID.

Recommendations

The coordinating unit should conduct an audit of disbursements and uses of the funds of this project as soon as possible. It would seem that there are funds that were disbursed to SEA which have not arrived or reached BAGRICOLA.

PROJECT SUMMARY

1-06

<u>Name of Project</u>	Agricultural Credit VI (679-SF/DR)	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Agricultural Bank (BAGRICOLA)	
<u>Total Project Cost</u>	(Including RDS 36,520,000 from BID) RD\$ 47,520,000	
<u>Financing</u> AID	PL480-1983 (5,800,000) balance -	5,000,000
	PL480-1984	900,000
	PL480-1985 (assigned)	1,300,000
	517-K-0171/1	<u>2,800,000</u>
<u>Duration of the Project</u>	30 years (with 10 years grace period)	10,000,000
<u>Date Initiated</u>	May 1983	
<u>Date Estimated to End</u>		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	6,800 families	42,000 persons, 7,000 families
<u>Overall Project Purpose</u> To provide financing of investment and operating capital for small and medium sized farmers who work individually or in groups.	5,100 enterprises	

Specific Objectives/Activities

-Crop financing	27,500 hectares	28,000 hectares, 8,015 loans.
-To increase size of livestock herd	68,800 head	
-To increase liters of milk	18,700,000 liters	(1,980 ranchers)
-To increase meat production	5,500 tons	

Resources Planned and Spent

-Disbursements received from AID-1984,85	7,500,000	7,200,000
-Expenditures for:		
Investments	25,000,000	30,754,865
Working Capital	21,715,000	
Technical assistance to BAGRICOLA	240,000	
Vehicles	200,000	
Miscellaneous	165,000	
	5,220,000	
		Of funds received from AID, no de- tailed expenditure report available

Agricultural Credit VI (2)

General Comments

Because of AID funding being used as counterpart to Dominican government resources for the BID loan, the Agricultural Bank does not keep a separate accounting of AID funds. The criterion for selection of beneficiaries is based on a valuation of their assets. Maximum loan for farmers is RD\$ 57,000, and for ranchers RD\$ 114,000. Also fixed is a maximum loan amount of RD\$ 32,000 for both types of producers. As a result of the inflationary process which the country has suffered lately, it has been necessary to solicit a modification of these maximums, elevating agricultural asset levels to RD\$ 92,000 and rancher assets to RD\$ 160,000 per producer. The loan maximums have also been increased to RD\$ 50,000 per producer. Also, due to the low profitability of the livestock sector, a reprogramming of fund use has been requested to transfer RD\$ 5,000,000 from the livestock category to the agricultural side.

Positive Aspects

Because of the lack of differentiation between the use of AID resources and those of other donors, it is impossible to identify successes for this small fraction of the total project.

Deficiencies

-The bank does not keep a separate bank account to document the use of funds from AID. It does not submit reports to the coordinating unit.
-BAGRICOLA, for political reasons, has financed much of the agrarian reform sector (40% of its portfolio). Subsequently, the government exonerated 136 million pesos worth of its accounts receivables, causing a serious problem of liquidity for the bank. It should be noted that the level of non-repayment of loans without including sums exonerated by the government reaches 24% of the total portfolio value.

Recommendations

-Require that the bank immediately establish a separate bank account, with its respective accounting system for resources coming from AID.
-As long as BAGRICOLA does not resolve its problem of liquidity, it would be too risky to continue to provide funds from AID to this executing agency. The problem is not really at the level of the bank, but at the level of the government of the Dominican Republic where a political decision is urgently needed regarding the recapitalization of the bank's portfolio.

PROJECT SUMMARY

1-07

<u>Name of Project</u>	Rice Credit/Rice Planting Program	
<u>Location</u>	National Level	
<u>Executing Institution</u>	The Agricultural Bank (BAGRICOLA)	
<u>Total Project Cost</u>		RD\$ 12,910,948
<u>Financing</u> AID	PL480-1984	2,500,000

Duration of the Project

Date Initiated August 1983

Date Estimated to End

G O A L S

Planned

Achieved

Coverage: Beneficiaries

22,700 producers

Overall Project Purpose

The project is designed to finance the planting and harvest of rice, which being undertaken in different agricultural regions of the country.

Specific Objectives/Activities

-To provide credit assistance to the small & medium sized rice producers

Evidently no fixed target*

3,892 loans, 169,098 tareas financed.

-Contribute to support increases in production levels & productivity to satisfy basic levels of internal consumption

-To improve the nutritional level of the population

Resources Planned and Spent

Rice planting program, as of Dec.31,1985, (according to the report of Aracena & Associates of June 23, 1986)

Evidently no fixed target*

11,670,948
No detailed accounting of AID funds is available.

*The consultants were unable to review the initial project proposal nor the implementation letters, which is the reason why we don't know which targets were planned.

Rice Credit/Rice Planting Program (2)

General Comments

It should be noted that the Agricultural Bank is the only organism which is providing resources to finance production on agrarian reform farms, a sector which represents 40% of its total portfolio. The delinquency (loans and installments overdue) reaches 20%, and upon adding loans whose payment has been postponed, the percentage increases to 25%. BABRICOLA suffers from a serious lack of liquidity, because the government owes it RD\$ 136,000,000 due to debt forgiveness. There exists approved loans for more than RD\$ 123,000,000 at this time within the bank, but without the capacity for meeting this demand. In contrast, assets currently available are only RD\$ 11,000,000.

Recommendations

Quite simply, the consultants were unable to document, for lack of records available in the bank, the form in which the funds from AID were utilized. Nor was the report by Aracena & Associates, accountants and auditors, completed on June 23, 1986; it too was unable to clarify the situation with disbursements and uses of PL480 money. Thus, we suggest that a new audit of BAGRICOLA be contracted, detailing the movements of funds year by year. Said audit should be a prerequisite for any future financing by AID to the bank. We recommend also that AID ask the government of the Dominican Republic to give priority to the solution of the problem of condoned debts to BAGRICOLA, and that the repayment of this account be made a prerequisite for future AID financing to the bank.

The Evaluation Workshop

An evaluation workshop was conducted with 11 beneficiaries of the branch office of San Francisco de Macoris on July 17, 1986, which resulted in the following commentaries:

BENEFITS: (A) The results of bank loans have been good (5) -- including two clients of 18 and 19 years of operations with the bank, (B) timely disbursements (3), (C) easy terms (2), and (D) technical assistance received (1).

DEFICIENCIES: (A) Inadequate financing (3), (B) delay in disbursements (2), (C) problems with agricultural insurance (ADACA) which only covers the bank loan (3), (D) difficulty with marketing and with INESPRES (2), (E) deficiencies in technical assistance (2), and (F) lack of road access (1).

PROJECT SUMMARY

1-08

Name of Project Impact of Agricultural Credit on Small and Medium Sized Producers via Processing and Marketing Firms

Executing Institution The Center for Monetary and Banking Studies (CEMYB)

Total Project Cost RD\$ 58,105

Financing
AID 517-017i RD\$ 58,105

Duration of the Project 3 months

Date Initiated To be approved

GOALS

Planned Achieved

Coverage: Beneficiaries Not specified

Overall Project Purpose

To identify, analyze, and evaluate the different types and credit relationships that have been established between processing or marketing firms and small and medium sized rural producers who provide them their raw material.

Specific Objectives/Activities

-To identify credit mechanisms to quantify amounts received by producers and to determine real interest rates and to make recommendations. 10 surveys, 10 case studies

Resources Planned and Spent

-The project is pending approval of its first disbursement. No expenditures have been made yet.

Impact of Agricultural Credit on Small and Medium Sized Producers via Processing and Marketing Firms (2)

General Comments

The total budget for this project is RD\$ 300,000, of which RD\$ 160,000 have been programmed. The amount of AID financing of RD\$ 58,105 covers only the first five studies. There exists a second study proposal, budgeted at RD\$ 82,000 which is pending AID approval.

PROJECT SUMMARY

1-09

<u>Name of Project</u>	Design and Remodeling of Markets	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	The Municipal Government of the City (ADN)	
<u>Total Project Cost</u>		RD\$ 250,000
<u>Financing</u>	AID PL480 1984	RD\$ 250,000
<u>Duration of the Project</u>	Finished	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	388,000	
<u>Overall Project Purpose</u>		
To complete a study and the technical proposal for the improvement of the network of public markets in the city of Santo Domingo.		
<u>Specific Objectives/Activities</u>		
To contract a consulting firm for the coordination with ADN and formulation of projects to strengthen the distribution of food.	1	100%
<u>Resources Planned and Spent</u>		
- For payment of the study	250,000	250,000

Design and Remodeling of Markets (2)

General Comments

The study was conducted by an IICA consultant in coordination with a technical team provided by ADN, which resulted in the following documents:

- Products sub-systems, administrative and judicial
- Spontaneous markets
- Mobile markets
- Proposal for the direct participation of producers in the marketplace
- Document basic information on the management and manipulation of perishable projects in the new marketplace

These documents have been completed and are now available for decision making purposes.

PROJECT SUMMARY

2-01

<u>Name of Project</u>	Financial and Management Assistance to Micro-Enterprises and Groups in the Federal District		
<u>Location</u>	National level (14 cities)		
<u>Executing Institution</u>	The Association for the Development of Micro-Enterprise, Inc. (ADEMI)		
<u>Total Project Cost</u>			RDS 6,806,590
<u>Financing</u>	AID	517-K-039	1,500,000
		517-K-039/B	1,200,000
		517-K-0170/2 (not disbursed)	1,000,000
	Other sources		2,106,590
			<u>6,806,590</u>
<u>Sum Subject to Financial Evaluation:</u>	RDS 1,200,000		
<u>Duration of the Project</u>	Indefinite		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		356%
-To provide credit and technical assistance to micro-enterprises throughout the country	310 enterprises assisted	1,140 micro-enterprises
-Contribute to the reduction in the level of marginality that exists in the federal district	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-Expansion	7 cities	14 cities
-Loans to individuals		RDS 468,650
-Loans to groups		49,775
<u>Resources Planned and Spent</u>		
-Disbursements from the credit fund	525,000	
-Loans to individuals		468,650
		49,775
		<u>518,425</u>
Disbursement of donation	150,000	99%
Expenditures: purchase of a motorcycle, truck, copying machine, & other equipment		128,578
		86%

Financial and Management Assistance to Micro-Enterprises and Groups in the Federal District (2)

General Comments

The loans to micro-enterprises vary from 200 to 2,000 pesos, for a period of six months and a monthly interest rate of 1.5% and a penalty charge for delinquency, of which delinquency currently is 16%, based on a sample of the portfolio in Azua. The organization currently finds itself expanding rapidly. It has 22 promoters -- 10 in Santo Domingo and 12 in the interior provinces. It also has 13 secretaries and an administrative staff of 17. The sub-director of ADEMI meets with the promoters twice a month.

Positive Aspects

The accounting of the project is up to date. ADEMI receives weekly visits from the PVO representative of AID. The monitorship of the beneficiaries is continuous, including a visit three days before the loan completion date. An evaluation workshop was conducted, with 19 beneficiaries and 4 staff members of ADEMI, indicating the following project benefits: (a) credit allows us to purchase raw materials (16); (b) credit permits increase in working capital (11); (c) increased production (9); (d) credit allows for the acquisition of replacement stock (7); (e) increase in savings (6); (f) growth of the business (5); (g) the credit does not cost very much (5); (h) expansion of equipment (4); (i) acquisition of new knowledge about business and management (4); and (j) constant motivation for loan repayment (3). ADEMI has received an audit from ONAPLAN.

Deficiencies

The central problem in the statistics of this project is that the goals are not quantified, thus making it difficult to measure the real achievements of the institution even though it is said that the program is expanding very dynamically. Not all borrowers comply with the requirement of keeping a book of costs and accounts of the micro-enterprise. ADEMI is not training its promoters in business administration, so they are not in conditions of training the beneficiaries. The project lacks a system for measuring final results, and as such it is not possible to say whether the micro-enterprises supported by the project are profitable or not. There has been no supervision by the coordinating unit. The impact evaluation did not indicate a serious criticism of ADEMI indicating that the credit and technical assistance has been relatively good compared to other institutions.

Recommendations

It is suggested that ADEMI institute with more seriousness the administrative and accounting systems in the micro-enterprises it is assisting. Before an enterprise is visited, none had an accounting book. Credit priority should be given to those enterprises with bookkeeping systems

Financial and Management Assistance to Micro-Enterprises and Groups
in the Federal District (3)

up to date. It is necessary that ADEMI train its promoters in business administration so that they can train the micro-enterprises they are assisting. The coordinating unit should make a supervisory visit of ADEMI at least once every three months.

PROJECT SUMMARY

2-02

<u>Name of Project</u>	Agricultural Insurance		
<u>Location</u>	National level		
<u>Executing Institution</u>	The Dominican Agricultural Insurance Agency (ADACA)		
<u>Total Project Cost</u>			RD\$ 2,000,000
<u>Financing</u>	AID	PL480 - 1985	2,000,000
<u>Duration of the Project</u>	Indefinite		
<u>Date Initiated</u>	May 1984		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>		776 families

Overall Project Purpose

To insure basic crops of the Dominican die and to increase the stability of the rural producer

Specific Objectives/Activities

-To guarantee credit access for farmers affected by losses	Not specified	Not measured
-To increase productivity by means of technological packages	Not specified	Not measured
-Insurance policies completed		776
-Area insured (Areas)		88,905
-Value of investment insured (RD\$)		3,687,632
-Policy fees charged		191,522

Resources Planned and Spent

-First and only AID disbursement	200,000	
-Deposited to the Reserve Bank (contingency fund)		200,000

With ADACA's own resources, the contingency fund reaches a value of RD\$ 1,200,000 in the Reserve Bank. A second disbursement of RD\$ 300,000 will be solicited in 1986 after program results have been thoroughly evaluated.

Agricultural Insurance (2)

General Comments

ADACA has seven agronomists for its field task activities. Actually the principal crops insured are sorghum (395 tareas), corn (171 tareas), beans (147 tareas), and rice (69 tareas). In mid-1985, ADACA negotiated a re-insurance scheme through a London brokerage house called Sedgwick Associated Risks, Ltd., with link to four European firms. In 1986, ADACA plans to expand its activities to 14 provinces of the country, increasing its insurance coverage to the following additional crops: coffee, cacao, melons, and garlic. Also under study is the possibility of a livestock insurance program. Included in its services, ADACA also offers a life insurance program for its clients of RD\$ 3,000 per family. ADACA has signed agreements with the Dominican Development Foundation, the Association of Development Banks, and the Agri-Industrial Production and Financial Corporation, S.A. ADACA also is negotiating with FIDE to cover the agricultural insurance needs of those credit projects which qualify for the services of ADACA.

ADACA received a project score of 10 points (maximum score) by the evaluators, indicating an excellent project. Not a single deficiency of significance was encountered in the project.

PROJECT SUMMARY

2-03

<u>Name of Project</u>	Promotion of Agri-Enterprise		
<u>Location</u>	National Level		
<u>Executing Institution</u>	Fund for Development Investment (FIDE)		
<u>Total Project Cost</u>			US\$ 43,036,912
<u>Financing</u>	AID	517-K-0171	RD\$ 30,000,000
		517-K-0171/1	31,000,000
		517-K-0171/2 (only assigned)	30,000,000
			<u>91,000,000</u>
<u>Duration of the Project</u>	3 years 25 years: amortization period		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	15,000 families (new jobs)	
<u>Overall Project Purpose</u>		
To finance projects capable of generating the export of nontraditional crops and to substitute importation, transforming raw materials of agricultural, marine, and forest origin.		
<u>Specific Objectives/Activities</u>		
-The qualification of participating financial institutions		16 approved 6 under study
-To establish a revolving credit fund to finance agri-industrial projects	80-90 projects	16 projects
-Savings of foreign exchange	US\$ 65,000,000	RD\$ 38,803,000

<u>Resources Planned and Spent</u>	<u>Assigned</u>	<u>Approved</u>	<u>Disbursed to Projects</u>
-Credit fund	90,000,000	61,000,000	<u>(16)</u>
-Cost of supervision	1,000,000	Disbursed	38,803,000
	<u>91,000,000</u>	30,000,000	

Promotion of Agri-Enterprise (2)

General Comments

Funds of this project have been used to create a permanent revolving credit fund. This fund will be utilized by qualified commercial banks (30%) and development banks (70%) to provide credit on a medium and large term basis for the purchase of fixed assets and operating capital by private enterprises of the agri-industrial sector. The loan is complemented with a donation to finance the Joint Corporation for Agricultural Consulting (CCCA/RD) for the identification and formulation of investment proposals and also to provide technical assistance to beneficiaries. To receive financing, a project has to show that it will generate a significant level of new jobs or generate significant savings for an exchange or generate a demand for local raw materials. The loans are made for a maximum period of twelve years. The maximum size loan is RDS 5,000,000 at 20% interest per year. FIDE charges 12% to the financial intermediary plus a 1% commission for delinquent balances. The lines of credit to the participating intermediaries will last for twelve years.

Positive Aspects

The project earned the highest score by the consultants -- a 10 -- because it seems to be an instrument for rapid masification of agri-industrial investments with a significant impact on exports, employment, and economies in use of foreign exchange.

Deficiencies

Although the coordinating unit is present in the mini-committee of FIDE for project review, there has been no submission of trimestral reports by FIDE to the coordinating unit. Nor does there exist a system for measuring final results.

Recommendations

- That FIDE submit a trimestral report to the coordinating unit.
- That FIDE elaborate an evaluation methodology for measuring final results.

PROJECT SUMMARY

2-04

<u>Name of Project</u>	Development of Coffee and Cacao (2023-D0)	
<u>Location</u>	National Level (Provinces of Duarte, Sanchez, El Seybo, San Cristobal, Peravia, Azua)	
<u>Executing Institution</u>	Secretary of Agriculture (SEA) with credits managed by the Agricultural Bank	
<u>Total Project Cost</u>		RD\$ 40,000,000
<u>Financing</u>	World Bank	24,000,000
	Government of Dominican Republic	12,400,000
	Beneficiaries	3,600,000
Financing by AID	PL480-1984	1,000,000
	PL480-1985	4,000,000
	517-K-0171/1 (assigned only)	3,000,000
		<u>8,000,000</u>
<u>Duration of the Project</u>	4 years (with 12 years for loan amortization)	
<u>Date of Initiation</u>	March 1983	
<u>Termination Date</u>	March 1987	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	4,800 cacao growers 5,000 coffee farmers	
<u>Overall Project Purpose</u>	Not specified	Not measured
To increase the income of small and medium sized producers of cacao and coffee through credit for rehabilitation and expansion of production		

Specific Objectives/Activities

		<u>Committed Goals*</u>
Credit for coffee renovation	77,551 tareas	62,145 tareas(80%)
Huskers	4,604 units	1,490 units(32%)
Credit for renovation & rehabilitation of cacao	176,000 tareas	156,358 tareas(89%)
Driers and fermentors	1,395 units	631 units(45%)
Operating expenses		
-Motorcycles	13 motorcycles	13 motorcycles
-Salaries and others	523,540	400,497 (76%)

*Goals which are committed through formal approval of loans. Sums disbursed come to only RD\$ 4,014,000, that is 21% of programmed sums (19,283,525) and 21% of approved loan requests(18,699,907). In addition these sums include 10% contribution by beneficiaries.

<u>Resources Planned and Spent</u>	<u>Programmed</u>	<u>Spent or Disbursed</u>
-World Bank	18,797,988	7,954,816
-Counterpart (GORD)	5,369,138	2,272,805
-Contributions by beneficiaries	2,684,570	1,136,402
	<u>26,845,696</u>	<u>11,364,023</u>

Degree of financial compliance as of Dec.31,1985

42%
No detail of expenditures for AID resources

Development of Coffee and Cacao (2)

General Comments

The project is attempting to renovate plantations of coffee and cacao among some of the oldest in the country, as well as to repair those plantations damaged by the cyclones David and Frederick. The actual project portfolio at this time is RD\$ 10,277,621, which represents 4% of the total portfolio of the bank. The balance of loans due reaches RD\$ 9,123 plus RD\$ 54,606 which corresponds to existing loans that have installments that are delinquent. Between the two, a total of 1% delinquency is observed to date. It is important to note, however, that of the formal portfolio, only RD\$ 4,014,663 have been disbursed to beneficiaries. This therefore raises the real delinquency rate to 1.5%. Since we are dealing with loans that are mostly medium and long term, it would only be expected that delinquency would be very low in the initial phase.

Positive Aspects

Two evaluation workshops were conducted; one in San Francisco de Macoris (La Pena) with 17 beneficiaries, and the second in Azua (Padre de las Casas) with 28 beneficiaries. The positive comments were the following:

1. La Pena

BENEFITS: (a) Increase in production generates greater income (5), (b) improvement in product quality using new techniques (3), (c) stimulation for the renovation of plantations through farmer training (2), and (d) efficient support by the bank.

2. Padre de las Casas

BENEFITS: (a) Increase in production (2), (b) installation of water infrastructure and erosion controls (3), (c) new techniques (6), (d) training (2), (e) ease of financing (3), (f) a major increase in contact between producers and technicians (2), (g) better product quality (2),

Deficiencies

Neither SEA or BAGRICOLA carry a separate bank account or a separate system of accounting to control for funds coming from AID. Although they have a system for specifying goals and physical advance of the project, the very slow disbursement process is resulting in a numbers game, which is called "metas comprometidas". These are not actually achieved goals, but results which are expected to be achieved once the funds have been spent. No final results have been specified with respect to changes in income or productivity, both of which might justify the financial support of the project. With respect to deficiencies observed by the participating farmers, we present the following:

Development of Coffee and Cacao (3)

1. La Pena

DEFICIENCIAS: (a) Bad quality of tree stock, which begin to dry out soon after transplanting (9), (b) insufficient financial resources to continue the project (4), (c) delay in BAGRICOLA disbursements (5), (d) limited training of producers (2), (e) negligence by producers in accepting technical recommendations (2), (f) deficient logistical support of SEA by technicians, and (g) low demand for plants in the nurseries.

2. Padre de las Casas

DEFICIENCIAS: (a) Insufficient financial resources to continue the project or to provide sufficient incentives for renovation (5), (b) delay in disbursements from the Agricultural Bank (4), (c) lack of technical continuity in the program (3), (d) low production (2), (e) preoccupation for not being able to obtain the recommended inputs (2), and (f) lack of security with regard to future prices.

Recommendations

- Require that SEA/BAGRICOLA maintain a separate bank account with a separate accounting system to control for funds coming from AID.
- Fix specific goals for increasing yields in new plantations.
- Measure final results with regard to productivity and income.
- Require a trimestral report to the coordinating unit.
- Contract an audit to confirm the use of AID funds.

PROJECT SUMMARY

2-05

<u>Name of Project</u>	Program of Technical Assistance to Business Institutions of the Dominican Republic	
<u>Location</u>	Santiago, Northern Region	
<u>Executing Institution</u>	National Executive Service Corps (IESC)	
<u>Total Project Cost</u>		400,000
<u>Financing</u>	AID	
	517-K-0171	400,000
	517-K-0171/1 (assigned only)	250,000
		<u>650,000</u>
<u>Duration of the Project</u>	2 years	
<u>Date Initiated</u>	December 1985	
<u>Date Estimated to End</u>	December 1987	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	12 enterprises per year	8 enterprises in 6 months
<u>Overall Project Purpose</u> To assist Dominican manufacturing enterprises to improve their services and products.	Not specified	Not measured

Specific Objectives/Activities

-Creation of an office in Santiago for providing technical assistance to this region	1986	Established
-Technical assistance to industries		6 man-months of foreign technical assistance

Resources Planned and Spent

Disbursed from the RDS 250,000 programmed	166,816	
Detailed Expenditures:		
-Office equipment & vehicles		84,298
-Salaries (6 months)		27,600
-Insurance, vehicle maintenance, local transportation		7,856
-Other expenses		10,313
-Petty cash		500
		<u>130,566</u>
Financial Performance: as percentage of disbursements		78%
as percentage of programmed sums		52%

Program of Technical Assistance to Business Institutions of the Dominican Republic (2)

General Comments

Of the enterprises being assisted, the project has helped two clothing factories, a rice factory, and currently are assisting a leather factory, mining industry, a cement factory, and a soap factory. A technician has been recruited to help a factory for the production of automobile batteries. IESC maintains a talent bank of retired foreign executives. Although recently organized, IESC demonstrates good organization and is providing a useful service to the industrial sector. Its executive director, William Salas, is very capable.

Positive Aspects

The project has its own bank account and accounting system for AID funds. Staff awareness of the project agreement is complete.

Deficiencies

IESC has not yet sent a trimestral report to the coordinating unit. Although it has coverage goals (enterprises assisted per year) it has no targets in regard to final results of its technical assistance in terms of productivity or income.

Recommendations

- Require the submission of a trimestral report to the coordinating unit as a prerequisite for subsequent disbursements of project funds.
- Require the refinement of evaluation mechanisms to measure the results and effectiveness of the visiting retired executives.

P R O J E C T S U M M A R Y

2-06

<u>Name of Project</u>	Program of Technical Assistance to Businesses and Industries of the Dominican Republic (JAAC)	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Joint Committee of Agricultural Consultants, Inc.(CCCA)	
<u>Total Project Cost</u>		RD\$ 7,500,000
<u>Financing AID</u>	517-K-0171	2,310,000
<u>Duration of the Project</u>	3 years	
<u>Date Initiated</u>	May 1986	
<u>Date Estimated to End</u>	May 1989	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>		46 Dominican enterprises, & 14 international enterprises
<u>Overall Project Purpose</u> To assist Dominican managers in improving their products and services through the transfer of modern technology.	Not specified	
<u>Specific Objectives/Activities</u>		
-Identification of potential areas for agricultural investment	Not specified	Evaluation of 6 project of N.American investment
-Financing of technical assistance for the preparation of feasibility studies		
-Technical and managerial assistance		Registration of consulting firms
-Training		
-Providing physical facilities (Telex,conference room, library,data bank,secretarial services)		Organization of an agricultural data bank
<u>Resources Planned and Spent</u>		
Disbursed as of April 29, 1986	327,912	
Detail of Expenditures:		
-Operating expenses (May 31, 1986)		30,000
-Operating expenses (June 30, 1986)		30,000
-Association of Banks training program		9,500
		<u>69,500</u>
Financial Compliance		21%

Program of Technical Assistance to Businesses and Industries of the Dominican Republic (JAAC) (2)

General Comments

The project is just beginning -- it occupied a new office on June 23 and is still getting settled. A separate bank account is kept along with an accounting system for funds coming from AID. To date there has been no trimestral report submitted to the coordinating unit. Of the RD\$ 2,310,000 programmed for three years, RD\$ 750,000 has been earmarked to the Association of Development Banks to create a fund for financing feasibility studies. JAAC has an important budget item (RD\$ 1,000,000) for financing investment proposals, and also technical assistance within the project No. 2-03, Promotion of Agri-Industry.

Positive Aspects

The project has its separate bank account. It is well administered.

Deficiencies

- No trimestral has been submitted.
- The project has not specified coverage goals nor goals for measuring results of its specific objectives or overall purpose.

Recommendations

- Require a trimestral report as a prerequisite for subsequent disbursement of funds to the project.
- Require that JAAC prepare a work plan that is more explicit with regard to identifying goals that are quantifiable.

PROJECT SUMMARY

2-08

<u>Name of Project</u>	Export Strategy for 1986	
<u>Location</u>	National and International	
<u>Executing Institution</u>	The Dominican Center for Export Promotion (CEDOPEX)	
<u>Total Project Cost</u>		RD\$ 700,000
<u>Financing AID</u>	517-K-0171	700,000
<u>Duration of the Project</u>	1 year	
<u>Date Initiated</u>	January 1986	
<u>Date Estimated to End</u>	December 1986	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	
<u>Overall Project Purpose</u> To increase national exports on a significant scale	Not specified	

Specific Objectives/Activities

-To establish mechanisms for collecting and distributing information about markets & products	10 studies	*
-Design & execute educational programs by means of courses, workshops, & assistance to exporting firms	17 seminars 15 enterprises 9 courses	*
-To develop an international program for obtaining & keeping new buyers	Participation in 4 international fairs	*

*Data about project achievements exist according to CEDOPEX, but they could not be provided at the time of the institutional interview, nor were they provided subsequently to the consultants.

Export Strategy for 1986 (2)

<u>Resources Planned and Spent</u>	<u>Planned</u>	<u>Achieved</u>
-Marketing studies	176,145	87,575
-Product studies	10,500	10,500
-Diffusion of information	89,900	14,325
-Consultants & technical assistance	18,750	18,750
-International fairs	139,650	105,980
-Commercial missions	145,110	106,435
-Training of CEDOPEX personnel	105,875	13,330
-Other	13,300	19,780
	<u>699,230</u>	<u>376,675</u>
		54%

General Comments

The project was initially proposed for a total of RD\$ 2,244,000, and subsequently reduced to RD\$ 700,000.

Positive Aspects

Although explicit goals have not been created for measuring the overall project purpose to increase exports, the goals for measuring compliance with specific objectives and activities are very detailed and measurable.

Deficiencies

The general concept of the project is inadequately focussed considering that it depends principally on studies, diffusion of information, and training to increase exports, but without creating any physical infrastructure for the continuous promotion of export services. The concept to succeed requires offices in the principal export markets: Puerto Rico, New York, Miami. Although such offices have existed in the past, the one in New York is about to close for lack of funds to pay the rent. The one in Miami has not paid its rent in four months. Although the institution has established explicit goals, it has not measured them once it has specified them. Its accounting system does not permit one to know rapidly what AID resources have been spent. In the first half of 1986, Dominican exports suffered a drop of 18%, indicating little or no effectiveness of the strategy proposed to date.

Recommendations

CEDOPEX requires intensive follow-up by the coordinating unit to confirm the financial advance and the measurement of proposed goals. It is suggested that the project be redesigned to expand its outreach for reinforcing permanent offices outside the country. It would be necessary to prioritize activities, and above all, products which should be exported, selecting those with the greatest potential, and not attempt to try to promote all potentially exportable products.

PROJECT SUMMARY

2-09

<u>Name of Project</u>	Inter-Institutional Committee for the Identification and Promotion of Investment Opportunities	
<u>Location</u>	National and International	
<u>Executing Institution</u>	The Council for Promotion and Foreign Investment(CIPROIN)	
<u>Total Project Cost</u>		RDS 100,000
<u>Financing</u>		
AID	517-K-071	50,000
Other Institutions - ONAPLAN/Central Bank		50,000
<u>Duration of the Project</u>	1 year	
<u>Date Initiated</u>	October 1985	
<u>Date Estimated to End</u>	October 1986	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u> - Foreign Firms	Not specified	Not measured
<u>Overall Project Purpose</u> To identify feasible projects for foreign investment, particularly Dominican firms in the agri-industrial, metals, and machinery, and tourism industries.	Not specified	Not measured

Specific Objectives/Activities

-Participation in conferences/international expositions, present project profiles	Miami, New York, 50 profiles	Miami(2),New York(1) 50 profiles
-Participation in regional fairs: Bani, Moca, La Vega	3	2
-Editing of a guide for investment profiles, 1984-1985		2,500 copies distributed to 700 firms

Resources Planned and Spent

	<u>Planned</u>	<u>Spent</u>
Disbursed	50,000	74%
International expositions		21,335
Guide of investment profiles		15,885
		<u>36,885</u>

Inter-Institutional Committee for the Identification and Promotion of
Investment Opportunities (2)

General Comments

The project is attempting to prioritize the most feasible investments, taking advantage of the preparation of an inventory of many feasibility studies that already exist in the file of public sector institutions. Later the project will attempt to inform and promote those investments which have been identified as most feasible among domestic and international enterprises.

Positive Aspects

The investor handbook, or profile guide, has 22 priority projects and was distributed to more than 700 firms. Over 2,500 copies have been distributed in local conferences and overseas. They say that 30 enterprises have established new operations in the Dominican Republic during the last year utilizing information contained in the profiles prepared by CIPROIN.

Deficiencies

Although the project has complied with its objectives, its design in and of itself, and its possibilities of success, particularly outside the country, is limited by the lack of permanent offices overseas to provide services to potential investors. These offices do not exist, as mentioned before in the CEDOPEX summary. Without this follow-up structure it is doubtful that the project can have much continuing success with foreign firms.

Due to delays in the disbursement process, the project met its funding requirements without AID money, borrowing funds from FIDE and the Central Bank. There is no private bank account for funds received from AID. There has been no trimestral report submitted to the coordinating unit.

Recommendations

- Redesign the project in its second stage to include permanent offices to promote Dominican exports in Puerto Rico, New York, and Miami.
- Conduct an audit of the fund transfers resulting from the disbursement slow-down.
- Conduct intensive follow-up of accounting and trimestral reports, provided that CIPROIN seeks to expand the project.
- Determine if the undisbursed balance of RD\$ 13,115 is going to be utilized or whether it should be reprogrammed for another project.

PROJECT SUMMARY

2-10

<u>Name of Project</u>	Support of the APHIS Laboratory	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	SEA	
<u>Total Project Cost</u>		RD\$ 1,760,571
<u>Financing</u>	AID	
	PL480 - 1984	1,000,000
	PL480 - 1985	760,571
		<u>1,760,571</u>
<u>Duration of the Project</u>	n.a.	

GOALS

Planned

Achieved

Coverage: Beneficiaries

Not specified

Overall Project Purpose

To upgrade equipment and materials of the laboratory for SEA research, which will permit more effective services to the agri-industrial sector.

Specific Objectives/Activities

- To strengthen the laboratory.
- To control pesticides that coming into the Dominican market.
- To control the quality of national products, both agricultural and livestock.

Resources Planned and Spent

- No specified use.
- No disbursements as yet.

General Comments

The funds for this project have been retained prior to the first disbursement, because there is an investigation proceeding into possible fraud committed during the bidding process.

PROJECT SUMMARY

2-12

<u>Name of Project</u>	Industrial Free Zone of Bani	
<u>Location</u>	Province of Bani	
<u>Executing Institution</u>	Corp. Zona Franca Banileja, Inc.	
<u>Intermediary Institution</u>	The Reserve Bank of the Dominican Republic	
<u>Total Project Cost</u>		RD\$ 4,128,907
<u>Financing</u>	USAID - 517-K-039	2,000,000
Other Institutions:	FIDE	1,842,000
	Resources of the beneficiary	286,907
		<u>4,128,907</u>
<u>Duration of the Project</u>	2 years	
<u>Date Initiated</u>	November 1984	
<u>Date Estimated to End</u>	December 1986	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries: direct jobs created</u>	6,960	
<u>Overall Project Purpose</u>		
To promote the export industries of the country generating new jobs, both (a) directly, and (b) indirectly (in five years).	6,960 (a) 20,880 (b)	

Specific Objectives/Activities

-The construction of service infrastructures, streets, sidewalks, fences, water tank, electrification		100%
-Construction of industrial factory spaces, (8 financed by USAID)	12	90%

Resources Planned and Spent

	<u>Programmed</u>	<u>Spent</u>
-Technical assistance	15,000	48,777
-Land	40,000	147,565
-Construction of industrial space, customs area and services	3,855,460	2,159,902
-Vehicles and others	180,447	68,667
-Working capital	40,000	-
	<u>4,130,907</u>	<u>2,374,911</u>

Distributed through July 30

Industrial Free Zone of Bani (2)

General Comments

Although smaller than the other industrial free zones of La Romana and Santiago, this project appears to offer more favorable cost effectiveness in light of the fact that its estimated cost per new job created is calculated at RD\$ 593 per worker. Aside from its size, this project offers characteristics quite similar to the other free zones of the project. Its purpose is to provide incentives for export and employment after tax exemption. The loan to the free zone of Bani will be made for a period of 20 years with 5 years of grace, and will be payable in 120 installments. In contrast to La Romana and Santiago, the loan to Bani is granted at 8% per year. A private firm, Reyes Arquitectos, has been providing monthly supervision of the advance of the construction. Five contractors are working on the factory structures.

Positive Aspects

The project offers possibilities of being relatively cost effective. The execution of the construction is going forward without problems, and disbursements have not been delayed. The Reserve Bank has made five disbursements to date (July 20) totaling RD\$ 2,212,741 (101%) of those resources approved by AID. The project has received various supervisory visits by USAID or the coordinating unit. The work advance reports are being submitted opportunely to FIDE, although they are not forwarded to the coordinating unit.

Deficiencies

None of significance.

Recommendations

-A very careful monitoring of the achievements of the project in its first years is recommended even though its financing might have been finished, to document the advantages and disadvantages of the economic model for generating employment, which seems to be five times less expensive than La Romana and three times less expensive than Santiago.

PROJECT SUMMARY

2-13

<u>Name of Project</u>	The Industrial Free Zone of La Romana		
<u>Location</u>	La Romana, High Sector of Villa Verde		
<u>Executing Institution</u>	Zona Franca Romana S.A.		
<u>Intermediary Institutions</u>	National Development Bank,S.A.		25%
	National Credit Bank,S.A.		25%
	Metropolitan Bank,S.A.		50%
<u>Total Project Cost</u>			US\$ 12,643,969
<u>Financing</u>	USAID (via FIDE) 517-K-071		4,500,000
	Natl.Development Bank	1,125,000	
	National Credit Bank	1,125,000	
	Metropolitan Bank	2,250,000	
Other Institutions:			
-Resources of the beneficiary			8,143,969
			<u>12,643,969</u>
<u>Duration of the Project</u>	10 months (construction phase)		
<u>Date Initiated</u>	June 1986		
<u>Date Estimated To End</u>	June 1987		

	G O A L S	
	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries: New Jobs</u>	4,100	*
<u>Overall Project Purpose</u>		
To promote export industries and to generate new employment, both direct and indirect.	Indirect jobs created- 2,000	*
<u>Specific Objectives/Activities</u>		
-Leveling & developing land,first stage	375,000 m ²	80%
-Access roads,streets,& water installation		60%
-Construction of industrial spaces of 10,000 cubic feet each in customs house	17	5%
<u>Resources Planned and Spent</u>		
-Streets,water,industrial spaces - first stage, programmed expenditures	4,500,000 1,125,000	25% 1,125,000

* These targets can only be measured once the construction phase is completed.

The Industrial Free Zone of Romana (2)

General Comments

An industrial free zone offers its users tax exemption for the importation of raw materials and for tax free exportive products, and operations during a period of twenty years. The user is committed to exchange his dollars for local currency for the payment of wages and for generating a minimum number of new jobs for the country. The industrial free zone rents its industrial spaces for US\$ 25¢ per square foot, offering services of light, water, and health. The municipality provides transportation for workers to the industrial free zone site. It is calculated that for every ten jobs created inside the industrial free zone, another three direct jobs and five indirect jobs are created outside the zone. The project represents a new zone, copying the success of the old free zone built at La Romana which actually at the present time has twenty factories and almost 10,000 workers.

Positive Aspects

- It should be noted that although financing only recently became available, the physical progress of the construction is well advanced.
- The project seems to be managed with considerable seriousness, copying the precedent of the old free zone, and it has clients waiting for space.
- The free zone model seems to be an excellent way of massifying employment.

Negative Aspects

- The project does not have a private bank account to account for resources of AID.
- They have not yet presented a trimestral report to the coordinating unit.
- There have been serious delays in disbursement of resources (4 months).

Recommendations

- That the coordinating unit provide intensive monitorship until the project complies with its primary obligations: a bank account and a separate accounting system for AID resources.
- That the coordinating unit attempt to expedite the disbursement process to this project.

NOTE: Utilizing costs and beneficiaries that have been planned for the project, cost for every new job created would be \$3,085 per job in La Romana versus \$1,900 per job in the industrial free zone of Santiago. It seems evident that the differences in cost effectiveness are large from one zone to another and it would be worthwhile to investigate the reasons for the differences, exploring the relative advantages and disadvantages.

PROJECT SUMMARY

2-14

Name of Project Industrial Free Zone of Santiago
Location Province of Santiago
Executing Institution Corporacion Zona Franca Industrial de Santiago
 (Non-Profit)
Intermediary Institutions Management Financing, S.A.
 Public Mortgage Bank, S.A.
 Dominican Public Bank

Total Project Cost RD\$ 7,595,300

Financing

USAID/FIDE	517-0171		4,000,000
	Financiera Empresarial	3,000,000	
	Mortgage Bank	1,000,000	
OTHER INSTITUTIONS:			
-Resources of the beneficiary			3,595,300
			<u>7,595,300</u>

Duration of the Project 1 year (construction phase)

Date Initiated March 1986

Date Estimated To End October 1986

	<u>Planned</u>	G O A L S	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	4,000		
<u>Overall Project Purpose</u> To promote the export industries of the country and to generate new employment, both direct and indirect.		Not specified	

<u>Specific Objectives/Activities</u>	<u>Planned</u>	<u>Achieved</u>
Construction of service infrastructure and industrial spaces of 20,000 square feet each.	58	10%
-Interior streets		70%
-Water & sewage installations & electrical lines		70%
-Industrial spaces		6%

*Goals cannot be measured until the construction phase is completed.

<u>Resources Planned and Spent</u>	<u>Planned</u>	<u>Spent</u>
-Interior streets	500,000	500,000
-Water system	250,000	250,000
-Industrial spaces	-	-
-Other expenses (financed by the corporation)		200,000
	<u>750,000</u>	<u>950,000</u>

Industrial Free Zone of Santiago (2)

General Comments

The project deals with the expansion of the existing free zone of Santiago which currently has 57 industrial spaces, 8 of which are in an industrial park, with a labor force of 12,200 workers (direct). The expansion of this project is in full execution and at an accelerated pace, so much so that in fact, the first four industrial spaces are going to be ready five months before planned. The beneficiaries of the project get tax-free operations for import and export for light industries, such as clothing, tobacco, shoes, and electronics products manufacturers, who also need a cheap source of labor. The zone rents its industrial spaces for periods of four years at a price of 25¢ per square foot. The financing provided by the intermediary institutions is 10 years with a 4 year grace period and 6 years of amortizations in 24 installments. FIDE loans the intermediaries credit at 15%, and they turn around and loan to the beneficiaries at 20%.

Positive Aspects

The physical advance of the project is satisfactory. The board of directors is very careful and has monitored the funds quite effectively. The construction of the project is generating considerable local employment. We estimate 6,000 days of unskilled labor so far. The old industrial zone has established a successful precedent for the compliance with project objectives. It is interesting to note that the industrial zone of Santiago has attracted the smaller industries (average of 240 laborers per factory) versus that of La Romana (500 laborers per factory). The proposed expansion is being executed in the same site as the old one, not as in Romana where the two sites are on opposite sides of the city. This co-location should permit economies of scale for infrastructure construction and transportation. As an employment generation model, that of Santiago at RD\$ 1,900 per job created compares favorably with that of La Romana at RD\$ 3,085 per job created, and therefore is considered relatively cost effective. The executing agency has reported trimestrally to FIDE on its progress, but FIDE has not passed these reports on to the coordinating unit. The executing agency also keeps a separate bank account and accounting system on funds received from FIDA/AID.

Deficiencies

- There are none on the part of the executing agency.
- FIDE has delayed disbursements of up to 102 days, obligating the executing agency to initiate the project with its own resources.

PROJECT SUMMARY

3-01

<u>Name of Project</u>	Support of the Organization and Institutionalization of the Dominican Institute of Agricultural Investigation (IDIA)		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	CNA/IDIA		
<u>Total Project Cost</u>			US\$ 14,700,000
<u>Financing</u>	AID-PL480 - 1984	RDS	150,000
	AID-PL480 - 1985		210,000
			<u>360,000</u>
<u>Duration of the Project</u>	1 year for the creation of the institution		
<u>Date Initiated</u>	September 2, 1985		
<u>Date Estimated to End</u>			

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> Creation of an institution for the generation of new technology in agriculture for increasing production productivity, and for directing and executing technological and scientific investigation.	Not specified	
<u>Specific Objectives/Activities</u> To create the institute: -To undertake 6 investigative studies -To conduct workshops & seminars	6 Not specified	5½ Not measured

<u>Resources Planned and Spent</u>	<u>Programmed</u>	<u>Spent</u>
-Contracting of studies	176,000	82,000
-Seminars and workshops	35,000	17,000
-Coordination, direction, & supervision	147,000	44,000
-Unforeseen expenses	2,000	-
	<u>360,000</u>	<u>143,000</u>

Support of the Organization and Institutionalization of the Dominican Institute of Agricultural Investigation (IDIA) (2)

General Comments

The project finds itself in its initial phase of study development, and as such it is meeting its first year's planned targets to a 95-100% degree. For this reason, there does not exist any complicated infrastructure nor a large payroll consideration for the planned workshops and studies. In this regard, IDIA depends on the consulting services of the National Council of Agriculture and the Superior Institute of Agriculture, and of of SERVITEC/ISNAR.

Positive Aspects

The first phase is being concluded on time and with excellent prospects for the second stage.

Deficiencies

- Lack of monitorship by the coordinating unit (although AID has worked directly in all aspects of the formulation of monitorship of the project).
- IDIA has not complied with its trimestral reports according to the project agreement.
- IDIA finds itself in difficulties at this time for a slow down in disbursements, which prevents it from paying contractors for work that has already concluded.

Recommendations

- The coordinating unit should visit the project on a trimestral basis with careful attention to resolving delays in disbursements.
- The coordinating unit should insist on receiving trimestral reports as a precondition for subsequent disbursements.
- AID should assure that IDIA receive its pending disbursements as quickly as possible in view of the fact that the involved contractors have already complied and delivered their studies.

PROJECT SUMMARY

3-02

<u>Name of Project</u>	King Crab Production	
<u>Location</u>	Buen Hombre, Monte Cristi y Puerto Viejo, Azua	
<u>Executing Institution</u>	NATURA	
<u>Total Project Cost</u>		RD\$ 840,000
<u>Financing</u>	AID - PL480-I - 1984	400,000
	- PL480 - 1985	440,000
		<u>840,000</u>
<u>Duration of the Project</u>	2 years	
<u>Date Initiated</u>	October 1985	
<u>Date Estimated to End</u>	October 1987	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To expand the production of the king crab, using local appropriate technology and fishermen from the zone, utilizing cages for the purpose of expanding king crab exports. This will in turn generate employment, new business, and income for the coastal zone.	None planned	None realized
<u>Specific Objectives/Activities</u>		
-To train fishermen	20	13
-To install cages	Not specified	34 cages
-To produce king crab meat	548 kilos per fisherman per year	121 sires, 3,000 offspring
-Crab sales, US\$ 5,000,000	US\$ 5,000,000 per year	0
-To construct an incubator & laboratory	1	1
-Panels for the collection of algae	Not specified	515

<u>Resources Planned and Spent</u>	<u>Programmed</u>	<u>Spent</u>
-Personnel	105,000	61,000
-Equipment, materials, gasoline, repairs, & rents	188,000	105,000
-Food	16,000	12,000
-Lodging, per diem	3,000	1,000
-Laboratories/incubators	71,000	46,000
-Office	13,000	24,000
	<u>501,000 *</u>	<u>259,000</u>

* In the case of the NATURA nurseries, there is a request for RD\$ 400,000 from PL-480-1985.

King Crab Production (2)

General Comments

The project was created by the Smithsonian Institution to increase the resources of the coastal population which lived from crab production. Because of failures in the administrative and program models, NATURA currently finds itself disoriented with regard to the original objectives, and is changing its focus to nurseries and reforestation.

Positive Aspects

None.

Deficiencies

- The planning does not have an integrated approach to training fishermen and beneficiaries.
- The lineup command between the Smithsonian and NATURA was not fixed from the beginning.
- There is insufficient personnel to provide the follow-up services or to cover documentation administration.
- Trimestral reports are not standardized, and have not been submitted on time.
- Lack of accounting and inconsistent documentation.
- NATURA does not receive follow-up from either AID or the coordinating unit.
- There has been a very high mortality rate on baby crabs for unforeseen reasons and also because of delays in disbursements.

Recommendations

- To discontinue the programming of AID funds into this project.

PROJECT SUMMARY

3-03

<u>Name of Project</u>	Natural Resource Management (MARENA)	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	SEA	
<u>Total Project Cost</u>		US\$ 22,200,000
<u>Financing</u>	AID - PL480 - 1984 517-K-0171/2	RDS 2,600,000 1,500,000 <u>4,100,000</u>
<u>Duration of the Project</u>	5 years (extended)	
<u>Date Initiated</u>	End of 1982	
<u>Date Estimated to End</u>	Beginning of 1989	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	3,000 direct 18,000 indirect	3,000+ocoa Y cuevas 18,000 indirect 10,000 trained
<u>Overall Project Purpose</u>	No goals specified	No goals measured

To establish a national methodology and system for evaluating natural resources; to establish models for the conservation and improvement of the capacity of the government to administer these resources in a way that will increase income for small farmers; to improve education, hydrology, roads, cartography, reforestation, and credit systems.

Specific Objectives/Activities

Targets are made in a detailed form for each one of the project's 16 activities according to a 5 year plan. There are very explicit formats for calculating the advance of each activity both on a physical and financial basis.

Resources Planned and Spent

Approved and disbursed in 1985	RDS 2,600,000	
A. Institutional strengthening		1,387,310
B. Water and soil conservation		<u>960,709</u>
		2,348,019 *

* Project unable to provide up to date figures.
Expenditures reflect the 1985 calendar year.
There is a 90% compliance with planned budget and expenditures.

Natural Resource Management (MARENA) (2)

General Comments

The project is undergoing a massive reprogramming due to the report and recommendations of RONCO Consulting Firm in April, 1986. Where it is admitted various difficulties with regard to planning and program use of funds. In the limited time of the consultant's visit, the project was unable to provide up to date information on the financial status of the project or on specific compliance with activities. Of the data provided, the measurements appear to be made on a global basis against five year targets, rather than one year targets. This means that the measurement of achievement is made after expenditures have been completed.

Positive Aspects

- The project has achieved the majority of its original goals with regard to training and technical assistance of specialists, cartography, intensive resource studies on watersheds, and institutional strengthening.
- It is providing incentives and credits to producers of cattle, crops, and fruit.
- It has achieved an important presence and public importance. There is a public demand for the services and information of the institution. MARENA is responding with seminars, workshops, and many courses.

Deficiencies

- They use different periods for the planning of activities and budgets.
- They admit problems of coordination with other institutions.
- There is a lack of training on the part of the planning and coordination units at the highest level.
- Due to problems of coordination, there are serious slow-downs in purchasing materials and vehicles.
- They admit that the credit services and incentives are not reaching beneficiaries opportunely to create incentives for conservation investment.
- National planning is not well coordinated from one watershed to the next, causing competition.
- It has a future orientation, but there is not a good sense of how to implement programs in the field.
- Trimestral reports do not reach the coordinating unit on an opportune basis. There is a delay of six months.
- They do not fix specific targets by trimester.
- The delays in counterpart funds have caused continuous crisis and results in a situation of contrary programming and funding transfer from other accounts.
- The project has an enormous payroll -- 445 technicians -- and it appears that many of these do not work directly in the MARENA project, but for other activities of the SEA.

Recommendations

- To put more emphasis on the formation and training of a high level group for planning and coordination.

Natural Resource Management (MARENA) (3)

Recommendations (continued)

- To revise schedules for reports and planning based on trimestral budgets.
- To seek the participation of personnel at the field level and their coordination from one watershed to the next.
- To train personnel in the practical application of technical data.
- The coordinating unit and AID should insist on the timely submission of trimestral reports as a prerequisite for further disbursement.
- AID should insist that the government comply with its agreement of providing counterpart resources to this project.
- MARENA should reduce its personnel to the extent that they are not working within the project specifically.

PROJECT SUMMARY

3-04

<u>Name of Project</u>	Water Management at the Farm Level	
<u>Location</u>	Yaque del Norte (PRYN), Yaque del Sur (YSURA) Province of Valverde	
<u>Executing Institution</u>	National Institute for Hydraulic Resources (INDRHI)	
<u>Total Project Cost</u>		US\$ 19,063,000
<u>Financing</u>	PL480 - 1984	700,000
	517-K-039/B	400,000
	517-K-0171/2	<u>1,500,000</u>
		2,600,000
<u>Duration of the Project</u>	5 years	
<u>Date Initiated</u>	October 1984	
<u>Date Estimated to End</u>	October 1989	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	72 farmers in 13 PRYN groups

Overall Project Purpose

To develop water resources, operation of irrigation systems, and to incorporate new areas of irrigation so as to increase productivity and to correct deterioration of land under existing irrigation.

Specific Objectives/Activities

-To establish centers of water control	2 centers	2 centers
-To study the efficiency, evapotranspiration, drainage factors	Not specified	Not measured
-To study excess water and how to alleviate erosion	Not specified	Not measured
-To evaluate the strategy of coordination among water users	Not specified	Not measured
-To train government staff and agricultural groups	500 staff	164 staff, 200 farmers

Resources Planned and Spent

	<u>Planned</u>	<u>Spent</u>
-Training	318,000	29,520
-Technical assistance	226,000	0
-Operating expenses	97,000	295,362
-Salaries	259,000	422,965
-Credit	200,000	0
	<u>1,100,000</u>	<u>747,847</u>
-Non-programmed transfer; loan from INDRHI		252,152
		<u>1,000,000</u>

Water Management at the Farm Level (2)

General Comments

This is an investigative project of research inserted within a future irrigation program estimated at US\$ 19,000,000, with a future coverage of 30,000 water users. The investigation project covers diverse farm level interests, such as solving physical irrigation problems, sociological factors, technical factors, and credit for users in the PRYN and YSURA irrigation projects.

Positive Aspects

Although the payroll of the project is excessive relative to the scale of work at the farm level, the participating personnel are highly qualified (80 professionals out of 105 employees). Despite the scarcity of budget, quite a lot has been done with regard to the experimental farm and the farm school to demonstrate and test new techniques of drainage, desalinization, and water use for improving yields. The accounting is controlled with a separate system and bank account for resources coming from AID.

Deficiencies

- The project has not complied with its commitments of credit and technical assistance to farmers.
- In the reprogramming of funds, credit and technical assistance were almost entirely eliminated along with training investments, which happen to be the three elements that are most important to users. Meanwhile, there has been a 204% over-expenditure in operating costs, and an over-expenditure of 63% in salaries, plus a loan to INDRHI of \$352,153 which was a loan that was not programmed.
- The project has not submitted trimestral reports to the coordinating unit.
- It has not established quantifiable targets.

Recommendations

- It is necessary that the coordinating unit conduct some intensive monitoring of the project to assure that the repayment of the loan to INDRHI, to obtain compliance with the trimestral reports, and the quantification of targets.
- In light of the administrative over-expenditure, it is necessary to conduct an audit of the operating costs of the project to identify causes and responsibility.

PROJECT SUMMARY

3-05

<u>Name of Project</u>	Rural Development Administrative Center	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	ISA/CADER	
<u>Total Project Cost</u>		RDS 1,500,000
<u>Financing</u>	AID - PL480 - 1985	1,500,000
<u>Duration of the Project</u>	2 years	
<u>Date Initiated</u>	End of 1985	
<u>Date Estimated to End</u>	February 1988	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To try to achieve self-financing for CADER through the use of investments and services of consulting, conferences, and symposiums about rural development, in this way increasing its support services to the private sector & private producers in agri-industry.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-To generate 60% of its income through consulting fees.	60%	*
-To generate 40% of its income from interest on its counterpart funds.	40%	*

General Comments

* Although it has not received its first disbursement yet, CADER used RDS 70,000 of its own funds for workshops and seminars, for which it recovered its capital and made a profit of RDS 60,000. With these funds, they financed operating costs up to the moment. They hope to achieve their first disbursement of RDS 181,000, and in this regard have already been notified May 28 that the payment is ready. But as of July 28, funding in treasury still had not been made available.

P R O J E C T S U M M A R Y

3-06

<u>Name of Project</u>	Hacienda Nigua	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	UNPHU	
<u>Total Project Cost</u>		RD\$ 1,724,214
<u>Financing</u>	AID - PL480 - 1985	1,724,214

<u>Duration of the Project</u>	1 year
<u>Date Initiated</u>	N.A.
<u>Date Estimated to End</u>	N.A.

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

Four Projects:

- To contribute to the development of forest nurseries appropriate to fruit and forestry production.
- To elevate the nutritional level of the population.
- To create new sources of work.
- To create a reproduction center for fish, and another one for agriculture, and to help in the technical development of farms.

Resources Planned and Spent

None disbursed yet.

General Comments

No funds have been disbursed for this project yet.

PROJECT SUMMARY

4-01

<u>Name of Project</u>	La Vega-Jarabacoa Highway	
<u>Location</u>	Province of La Vega	
<u>Executing Institution</u>	SEOPC	
<u>Total Project Cost</u>		10,724,059
<u>Financing</u>	USAID-PL480-1984	1,000,000
	517-K-039/B	1,000,000
		<u>2,000,000</u>
Other Institutions: The Government of the Dominican Republic		8,724,059
<u>Duration of the Project</u>	18 months	
<u>Date Initiated</u>	February 1984	
<u>Date Estimated to End</u>	December 1986	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To facilitate the transport of products and to give impulse to tourism in the zone.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-To reconstruct the highway of the Duarte a Jarabacoa stretch.	20.9 km	20%
<u>Resources Planned and Spent</u>		
-Without specifying	2,000,000	
-Expenditures to the contractor in 6 checks		1,000,000

La Vega-Jarabacoa Highway (2)

General Comments

The project deals with the improvement of an existing road, increasing its width to 5.2 meters, straightening out the curves, and laying an asphalt base two inches thick, and the construction of structures (one bridge, 30 culverts). The works are being constructed in one part by contractors and in another part by public works. Supervision of the work is also contracted.

Positive Aspects

The project has not yet concluded. For this reason, no specific benefits can yet be determined. During the construction, it has created work for unskilled laborers, estimated at RD\$ 600,000 and equal to about 60,000 days of labor.

Deficiencies

- Due to lack of funds for paying the contractors, there have been delays in the work schedule of one to three months.
- It was necessary to re-do parts of the project.
- The climate of the zone has delayed the advance of the project.
- No special bank account has been created for funds coming from AID.
- No reports have been submitted to the coordinating unit.
- The executing agency does not have any accounting or financial data as specified by its program agreement with AID.

Recommendations

- Open a separate bank account to manage funds coming from AID.
- Require the compliance for the trimestral report.
- Inform the executing agency of the details of the program agreement.
- Recommend to the executing agency the implementation of a control of delays in the project, requiring reasonable justifications and distinguishing between those due to weather and those due to the contractor.

PROJECT SUMMARY

4-02

<u>Name of Project</u>	The Duarte Highway (BID)		
<u>Location</u>	Santo Domingo, San Cristobal, Bonao, La Vega, Santiago		
<u>Executing Institution</u>	The Secretariat of Public Works (SEOPC)		
<u>Total Project Cost</u>			US\$ 60,900,000
<u>Financing</u>			
	USAID Counterparts	517-0171	RDS 7,900,000
		517-0171/1	20,000,000
		517-K-039?b	2,479,300
			<u>30,379,300</u>
	Other Institutions	BID (CO)	US\$ 24,000,000
		(FOE)	12,000,000
		FIV	18,000,000
		GORD (AID)	12,900,000
<u>Duration of the Project</u>	2 years		
<u>Date Initiated</u>	October 1984		
<u>Date Estimated To End</u>	December 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To alleviate transit problems in the country and contributing to the social and economic development of regions that have agricultural potential, industrial, and population concentrations.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-To double the width of the highway so that it has two lanes on each side, for a distance of between km 8.7 and 28.2.	20 km	95%
-Rehabilitation of the asphalt.	124 km	80%
-Construction of slow lanes in steep areas of the route.	13 km	80%
<u>Resources Planned and Spent</u>	<u>Planned</u>	<u>Spent</u>
-Planned expenditure	30,379,300	62%
-Expenditures were:		
To the Duarte consortium (9 checks)		17,433
To the consortium Betterroads		636,000
-Pay roll		614,000
-Transferred		85,000
	Total	1,352,433

The Duarte Highway (BID) (2)

General Comments

The rehabilitation and improvement of the Duarte highway is being done under a contract outside public works and supervision is also conducted through outside contract. For purposes of project execution, the project has been separated into a series of sections, as follows:

Contractor of the Consortium, Duarte Highway:

Group A - Sections I and II from km 8.7 to km 28.2.
Doubling of the highway with two lanes on each side separated by a barrier, each side with a width of 7 meters, sufficient for two lanes, and a shoulder of 2.5 meters. This is the section which is in the best condition.

Group B - Sections IV, V, and VI, from km 45 to km 135.9.
Rehabilitation of the existing highway and construction of 9.3 km of slow lanes. The work consists of the breaking up of the existing concrete without removing it and applying a closer layer, then providing a filler, and finally an asphalt surface. In addition, providing slow lanes in areas steeper than 4% for a distance of 9.3 km.

Value of Contract: RD\$ 30,772,448
Initiation Date: October 18, 1984
Period: 570 days (19 months)
Degree of Completion: 95%

Section VI, km 135.9 - 152
Rehabilitation of the asphalt
It will be completed by an additional contract, the Consorcio Duarte.
Value of Contract: RD\$ 4,067,655
Duration: 150 days
Initiation Date: To be determined
Degree of advance of the work: 90%

Consortium, Betterroads-Asphalt Corp.-Redondo Construction Corp.

Engineer - Marcos Tulio Reyes & Co.
Section III, km 28.2 - 45.
Rehabilitation of the asphalt and execution of slow lanes for a distance of 3.67 km.
Value of Contract: RD\$ 2,704,531 + 2584,013
Initiation Date: January 30, 1986
Duration: 250 days
Degree of Project Completion: 80%

The supervision of this contract has been given to Ingeronte-Hanson Rodriguez for sections III, IV, V, VI, and VII and to PRC Harris-COINDISA for sections I and II.

The Duarte Highway (BID) (3)

Positive Aspects

- With the original budget of RD\$ 60,000,000 for the improvement of 20 km of highway, SEOPC is actually improving and rehabilitating 150 km.
- A better highway will be put into operation which will permit users considerable savings and time.
- The project will be inaugurated August 14, 1986, with a few final tasks to be completed later.

Deficiencies

- The project has been delayed because delays in arrival of equipment.
- Because of the need to change material used for filling, higher transportation costs were incurred and the contractor has a pending suit for the cost of having to have brought in additional equipment.
- No separate bank account exists for resources originating with AID.
- No trimestral reports have been submitted to the coordinating unit.
- The project will not be completed until August 1986.

Recommendations

- To conduct more intensive supervision of this project once it is put in service, after its official inauguration, to make sure that the lingering final tasks are completed.
- It is necessary to require that a separate bank account be put into effect and a system of accounting to control funds originating with AID.
- It is necessary to require the submission of trimestral reports.

PROJECT SUMMARY

4-03

Name of Project IBRD Highway II 1784-DO
Location National level
Executing Institution SEOPC
Total Project Cost RD\$ 49,000,000

Financing

USAID (counterparts)	517-K-039	231,745
	517-K-039/B	2,700,000
	517-K-0171/1	1,700,000
		<u>4,631,745</u>
Other Institutions	IBRD	35,000,000
(Investment fund of Venezuela)	FIV	3,500,000
	GORD	5,268,255
		<u>44,368,255</u>

Duration of the Project 2 years
Date Initiated March 1981
Date Estimated To End Indefinite (due to an abandoned stretch)

	G O A L S	
	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To reconstruct roads and to execute a general maintenance program for them.	150 km	70%
<u>Specific Objectives/Activities</u>		
-Reconstruction of the Santo Domingo-San Pedro Macoris highway	65 km	95%
-Reconstruction of the highway Santiago-San Pedro Macoris	52 km	70%
-Reconstruction of S.J. Majuana-Matas	32 km	20%
-Maintenance program	Various targets	Not measured
<u>Resources Planned and Spent</u>	<u>Planned</u>	<u>Spent</u>
-Without specific accounting	RD\$ 4,400,000	100%
-Payments to contractors, supervision, and administration (II)		3,433,393
-Payments to contractors, supervision and administration (I)		<u>966,607</u>
		<u>4,400,000</u>

IBRD Highway II 1784-DO (2)

General Comments

The project consists of a program of highway construction. It covers the selection of three highways which are also critical to other highway projects in the Dominican Republic. The execution of these highways is being done under contract, and supervision is also contracted.

Positive Aspects

- The three projects financed with AID funds have been pretty much completed.
- They have constructed new bridges for those highways that lead to the border with Haiti.
- They have used the Santo Domingo-San Pedro Macoris for the first time. For the first time a new technique has been used consisting of a kind of soil cement using a calceus material, which has contributed a savings of RD\$ 2,000,000, and it has saved the project the inconvenience of having to cross through the city of Santo Domingo carrying conventional materials.
- The generation of employment for unskilled laborers, estimated at 250,000 days of labor.

Deficiencies

- Contractor non-compliance in various stretches. One stretch has been abandoned, and it has not been possible to date to recuperate it.
- Lack of opportune disbursements, which has in some cases slowed down and in others paralyzed the work.
- Deterioration in those stretches whose construction has been paralyzed.
- Having paralyzed various stretches which were very close to being completed (Santo Domingo-San Pedro Macoris stretch).
- Difficulty of obtaining base materials.
- No U.S. bank account is kept.
- No trimestral reports are submitted to the coordinating unit.

Recommendations

- Require that the SEOPC resolve the lack of compliance of the contract for the Santiago-S.F. Macoris stretch, paralyzed since May 15, 1984, for lack of financial and technical capacity. Also the stretch Maguana-Matas de Farfán, also paralyzed.
- Require that a separate bank account be kept for AID funds.
- Require a trimestral report.
- Upon obtaining funding, try to conclude those parts of the project closest to termination.
- It is necessary to establish measurements for the control of the physical advance of the maintenance project.

PROJECT SUMMARY

4-04

<u>Name of Project</u>	Rural Roads Project (AID)		
<u>Location</u>	National Level		
<u>Executing Institution</u>	SEOPC		
<u>Total Project Cost</u>			RD\$ 33,000,000
<u>Financing</u>			
	USAID	PL480/84	6,200,000
		517-0171/1	2,200,000
		517-0171/2	1,800,000
		517-K-039	800,000 *
		517-K-039/A	2,500,000
		517-K-039/B	800,000 *
		Others	700,000 *
			<u>15,000,000</u>
		*Before 1984	
	Other Institutions:	GORD	18,000,000
<u>Duration of the Project</u>	5 Years		
<u>Date Initiated</u>	June 1983		
<u>Date Estimated To End</u>	March 1987		

	GOALS	
	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	76,000	Not measured
<u>Overall Project Purpose</u>	Not specified	
To improve the income, productivity, and living conditions of rural producers, providing them with road infrastructure needed to get their produce to market and for making the country more self-sufficient in food production.		
<u>Specific Objectives/Activities</u>		
-Rehabilitation of rural roads	1,000 kms	30 kms
-Maintenance of these roads	3.500 kms	Not measured
-Fortify the capacity of the SEOPC for road maintenance	Various	Not measured
<u>Resources Planned and Spent</u>	11,000,000	83%
-Advances to contractors		1,273,000
-Maintenance of rural roads		3,710,000
-Technical assistance and supervision		9,000
-Salaries (SEOPC)		4,075,000
-Principal office		<u>100,000</u>
		9,167,000

Rural Roads Project (AID) (2)

General Comments

The project deals with a rehabilitation and improvement of rural roads and for the maintenance of those roads. For this current year, they have programmed a program of 41 roads with a total of 300 kms. The projects are done by contractors, usually in packages of approximately RD\$ 550,000. There are 17 contractors working presently and one consultant for project supervision. The work on these projects was initiated in March, 1986, and it should be concluded in November, 1986. At the time of the evaluation, advances to the contractor and supervising institutions totaled RD\$ 1,428,000. The maintenance of the roads is the responsibility of another executing agency that undertakes this work under three different modes: (1) routine maintenance done by road workers supervised by the local neighbors' board; (2) periodic maintenance, done through the eight regional offices of SEOPC; and (3) emergency maintenance. This program has been functioning since 1982. During this year, to June 30, 1986, work on 22 roads covering 256 kms. has been undertaken. These projects have resulted in 67 road workers and have involved 149 members of the neighbors' councils.

Positive Aspects

- The project is extremely broad, benefiting an extensive rural population.
- The roads are integrating many rural communities into the national economy and improving their percentage of production that goes to market.
- The maintenance is indeed helping to avoid deterioration in the completed roads.
- The project has generated employment for unskilled laborers estimated at 100,000 days of labor.

Deficiencies

- No separate bank account is kept for AID funds.
- No reports are submitted to the coordinating unit.
- After the road construction program was approved, the list of roads to be built was changed significantly, giving the impression that selection criteria are not very clear.
- There does not exist a program of local participation, utilizing volunteer labor.
- Administrative over-runs: 64% of the total program budget has been spent, yet only 3% of the physical targets of the project have been met to date.
- There have been delayed disbursements of funds which has in turn delayed or paralyzed contract execution.

Recommendations

- To establish a separate account for funds from AID.
- To require that trimestral reports be submitted to the coordinating unit.
- To require more seriousness in the selection of roads, with each one presented with a profile and a budget.

Rural Roads Project (AID) (3)

Recommendations, Continued

- To require the measurement of project coverage and beneficiaries to see if indeed the goals of generating income and productivity are being realized by these projects.
- To require an audit of expenses on SEOPC salaries in order to understand why there is so much administrative expense on these projects and then establish who is responsible.
- We suggest that the contracted consultant participate in the selection of the roads to be rehabilitated.

PROJECT SUMMARY

4-05

<u>Name of Project</u>	Rural Roads (BID)	
<u>Location</u>	National Level	
<u>Executing Institution</u>	SEOPC	
<u>Total Project Cost</u>		US\$ 28,340,000
<u>Financing</u>	USAID - PL480 - 1984	900,000
	517-0171/1	1,500,000
		RD\$ 2,400,000
Other institutions:	Inter-American Development Bank	US\$ 20,000,000
	Government of Dominican Republic	RD\$ 5,940,000
<u>Duration of the Project</u>	40 months	
<u>Date Initiated</u>	February 1984	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	71,000 families	Not measured
<u>Overall Project Purpose</u> To integrate the zones of influence of the rural roads into the national economy providing them with permanent access at lower cost.	None planned	Not measured
<u>Specific Objectives/Activities</u> To rehabilitate and construct rural roads.	600 kms.	5%

Resources Planned and Spent

-Without specified detailed expenditure to date (Spent on supervisory & administrative costs)	RD\$ 2,400,000	435,000
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Rural Roads (BID) (2)

General Comments

This project is being carried forward under a contract system, for which a contractor, a consultant, has been hired to elaborate packages of road projects. There are three packages:

Package A: 24 roads, 294 kms., 5 contracts being executed.

Package B: 23 roads, 181 kms., 4 contracts being executed.

Package C: 21 roads, 180 kms., in the bid process.

The supervision of these projects is also done by a contracted consultant.

Positive Aspects

- To benefit the rural sector, facilitating a connection between them and the cities.
- To generate work for unskilled laborers in the zones where the roads are being built.
- To diminish costs of vehicle operation and to save time.
- To facilitate communications between the Secretariat of Public Works and the contractors.
(One request for disbursement was processed in less than half an hour.)

Deficiencies

- There has been an excessive delay between compliance with conditions and for the selection of consultants to create the packages of projects.
- The lack of interest on the part of the executing agency due to the change in government.
- The opposition of certain land owners next to the highways, who have been damaging project structures which pass through their land.
- No separate bank account for AID funds is provided by SEOPC.
- No reports have been made to the coordinating unit.

Recommendations

- To open a separate bank account for the control of AID resources for this project.
- To promote the project execution by contractors and to make sure that they comply with contractual provisions.
- Consider the option of executing rural roads with the participation of beneficiaries themselves providing the labor.
- To require the presentation of trimestral reports to the coordinating unit.

PROJECT SUMMARY

4-06

<u>Name of Project</u>	The Azua-San Juan Highway		
<u>Location</u>	Provinces of Azua and San Juan		
<u>Executing Institution</u>	SEOPC		
<u>Total Project Cost</u>	RD\$ 31,000,000		
<u>Financing</u>	USAID (Counterparts)	PL480 - I/84 (RD\$ 1985)	RD\$ 4,000,000
		517-0171/1	3,200,000
		517-K-039/B	1,300,000
			<u>9,000,000</u>
	Other Institutions:		
	FIV (The Investment Fund of Venezuela)		RD\$10,000,000
	Government of the Dominican Republic		12,000,000
<u>Duration of the Project</u>	3 years		
<u>Date of Initiation</u>	July 1983		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not established	Not measured
<u>Overall Project Purpose</u> To improve the existing highway so as to expedite transportation and communication between Azua and San Juan.	Not specified	Not measured
<u>Specific Objectives/Activities</u> To rehabilitate and reconstruct the existing highway.	51.2 km.	50.5 km.

Resources Planned and spent (USAID)

-Without specified use	9,000,000	5,646,000
-Expenditures according to project records:		
-Administration 170,000		
-Section I (by administration) 267,000		
-Contractors 5,015,000		
-Transfers 194,000		
		5,646,000

The Azua-San Juan Highway (2)

General Comments

The project consists of the reconstruction and improvement of the highway Azua-San Juan, including the construction of bridges. This project had been initiated in 1980 with a contract to execute the first stage which was later rescinded. Actually, the contract is now being undertaken by five contractors, and the first stage by administration through SEOPC. The supervision of the project is being done by a consulting firm. The initial cost of the project was RD\$ 18,000,000. The cost of the project as of the 31st of May, 1986, had reached RD\$ 30,600,000. The work is 97% finished. What remains to be built are a few bridges and drainage structures.

Positive Aspects

Despite the nation's economic crisis, the project was originally concluded and has been put into service. The contractors self-financed part of the project. The quality of the road is very much improved, and a considerable savings in time has been achieved.

Deficiencies

- Stage 1 of the project experienced difficulties at the initiation, and eventually the contract had to be rescinded. The Stage 1 labor was continued by the executing agency, SEOPC, but there was a loss of three years in project execution.
- The project lacks sufficient financing for determination of drainage structures and certain overpasses.
- Because of deficiencies in the project, there has been loss of time and the budget has been more expensive than otherwise would have been the case.
- The consultants contracted for this project have been chosen on the basis of lowest cost bids, but this does not always insure the best service.
- There has been opposition from land owners for whom the road expansions have affected their lands.
- The project does not keep a separate bank account for funds originating from AID.
- No reports have been made to the coordinating unit.

Recommendations

- The project needs to have a separate bank account for funds originating from AID.
- The coordinating unit must insist on presentation of trimestral reports.
- In the selection of consultants, the executing agency should consider the technical proposal regarding the personnel assigned and not simply contract on the lowest cost bid. The cost of consultant services are relatively small in relation to the large investments of the project as a whole, and are important to getting good quality.

PROJECT SUMMARY

4-07

<u>Name of Project</u>	Expansion and Improvement of the Port of Haina		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	SEOPC		
<u>Total Project Cost</u>	US\$ 63,945,000		
<u>Financing</u>	USAID (Counterparts)	517-0171	RD\$ 2,000,000
		517-0171/1	6,000,000
		517-K-039/B	5,193,000
			<u>13,193,000</u>
	Other Institutions	Inter-American Dev. Bank Gov. of Dominican Republic	US\$ 35,500,000
			28,445,000
<u>Duration of the Project</u>	10 years		
<u>Date Initiated</u>	May 3, 1976		
<u>Date Estimated To End</u>	December 31, 1986		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

To improve the services of the port of Haina so that the city of Santo Domingo will have a port sufficient to handle the volume of import and export cargo in a rational manner over the next ten years.

Specific Objectives/Activities

-Drainage	1.5 mill.m ³	2.3 mill.m ³
-Dry dock was renovated	1	100%
-Deviation of the river	1	-
-Construction of docks & navigational aids	1	100%
-Civil and electrical works	1	15%
-Construction, amplification, & remodeling of buildings	1	2%
-Crane for lifting containers of 30 tons	1	100%
-Purchase of a scale for weighing trucks and fire-fighting equipment	1	90%

Resources Planned and Spent

-Without specific detail	13,193,000	41%(5,409,130)
-The expenditure items have been contractors, supervision, external audit, financial expenses, and administrative costs.		

Expansion and Improvement of the Port of Haina (2)

General Comments

For the compliance of targets, a variety of activities have been identified and have been carried out by means of separate contracts for each stage of the work. Some of these activities initially planned have not been undertaken because of modifications introduced after the project was underway. Four contracts have been terminated and the deviation of the river was cancelled. The contracts currently pending and active are:

Civil and Electrical Works by S. Conde & Associates

- These activities are paralyzed.
- The contractor is conducting a few minimal activities extending tubing, electrical installations in the cargo patio. The paralysis of the project was created by a delay in payments to the contractor, but these have been met finally, according to the executing unit.
- The physical estimate on this contract is 15%.

Construction, Expansion, and Remodeling of Buildings by Mera Munoz & Fondeur

- The work is just beginning on existing buildings at a very slow pace.
- The physical progress is at about 2% of the planned target.

Purchase of Scales for Weighing Trucks & Fire-Fighting Equipment

- This contract is going forward, with progress estimated at 90%.
- During the site visit by the consultants, it was possible to see the construction and installation of the scale equipment in the patio yard.
- The physical advance of the construction work is approximately 80%.

Positive Aspects

- Under the total project the work is advancing fairly well on schedule.

Deficiencies

- There has been a lack of counterpart funding by the Dominican Government.
- There are people who are still living on land which is designated for the project. The Dominican Naval shipyard still has not vacated its premises because it is owed RD\$ 1,000,000 in rents that are still unpaid.
- There are private naval ship builders who have not vacated their wharf locations, and they are using the buildings for storage.
- The delays in work progress by the contractors are justified by excuses which are not backed up by reality.
- Since the work is practically paralyzed on certain aspects of the project, it will not be possible to complete the total project by 1986, unless the existing problems are quickly overcome.
- The executing unit does not have any information about AID disbursements or expenditures.

Expansion and Improvement of the Port of Haina (3)

Recommendations

- The executing unit should be informed and know in detail the facts of the AID project agreement, including information on disbursements by the executing agency.
- It is vital that the executing agency take over the premises, to be involved in the project, and require the abandonment of people and institutions still occupying the premises. Otherwise, the contractors could use this as a further excuse for non-compliance with their end of the project.
- It is necessary to recommend that precise supervision be conducted throughout the entire project to determine which causes of delays are truly outside of the control of the contractors and which are in effect caused by them.
- The coordinating unit should more closely supervise this project, making sure that funds disbursed from the treasury are actually received opportunistically by the executing unit.
- The project needs to administer a separate bank account for AID funds.
- It should be required also to submit a trimestral report on project progress to the coordinating unit.

PROJECT SUMMARY

4-08

<u>Name of Project</u>	Rehabilitation of Rural Roads		
<u>Location</u>	National Level		
<u>Executing Institution</u>	SEOPC		
<u>Total Project Cost</u>			RDS 3,500,000
<u>Financing</u>	USAID	PL480-I/84	1,500,000
		PL480-I/85	2,000,000
			<u>3,500,000</u>
<u>Duration of the Project</u>	10 months		
<u>Date Initiated</u>	June 1986		

GOALS

	<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>	24,000 families	Not measured
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<u>Overall Project Purpose</u> To improve the income productivity and quality of life of poor farmers of the country.	Not specified	Not measured
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Specific Objectives/Activities

-To rehabilitate 7 rural roads and to terminate the program begun in 1984 of 15.3 km.	65 kms.	25% of 65 kms.
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Resources Planned and Spent

-Road rehabilitation	2,762,000	571,000
-Termination of PL480-I-84	600,000	493,000
-Supervision and consulting	180,000	21,000
-Administration and contingencies	110,000	36,000
	<u>3,500,000</u>	<u>1,126,000</u>

Rehabilitation of Rural Roads (2)

General Comments

This project consists of the construction of roads by private contractors, and originally the program considered the rehabilitation of 13 roads, totaling 71.6 kms. and 24,000 beneficiaries. The current project is planned to complete seven roads, totaling 50 kms., benefiting 16,000 families, plus another 15.3 kms. of the previous program

The modification of the achievement targets of the project is due to increase in project costs. The project is supervised by a consulting firm. It should be noted that the project has only received supervisory visits by AID but not by the coordinating unit.

Positive Aspects

- The termination of the rehabilitation road work is being conducted in a satisfactory fashion.
- As these sections are completed, they are turned over to a program of road maintenance.
- The project is benefiting the rural population.

Deficiencies

- Due to problems of escalating costs, less work than originally contemplated will be conducted.
- There has been a delay in disbursements which have paralyzed the payment of vouchers to contractors, who in turn have delayed the pace of project completion.
- When an attempt was made to make the disbursement process more agile, it actually created even greater delays.
- There have been problems with contractor non-compliance. In the PL480/84 period, 13 contracts, 4 or 30% had to be rescinded.

Recommendations

- The disbursements to the project must be made more agile in order to avoid delays and paralysis of the work.
- There should be a very detailed disbursement schedule, so as not to delay the project construction phase.
- The project should consider possibilities of lowering its costs by incorporating voluntary labor by residents of the communities benefited.
- The selection of contractors should be done more carefully to avoid utilizing contractors who are not reliable in their commitments.

EVALUATION WORKSHOPS: PROJECTS OF THE SEOPC

Impact evaluation workshops were conducted with beneficiaries of several SEOPC projects: the first in the municipality of Nagua, province of Maria T. Sanchez with 11 participants, and the second in the province of Samana with 18 participants benefiting from the rural road Samana-La Galera-Manuel Chiquito-La Colmena-Los Tocones-El Rincon.

1. The Workshop of the Municipality of Nagua, Province of Maria T. Sanchez, Concerning The Rural Road Los Pajones-Esquina Caliente-Los Jovitos-El Papayo (7.5 kms.), July 24, 1986, 11 Participants

BENEFITS OF THE PROJECT: (a) We can now leave and return to the community taking our fruit to the market (15), (b) sick patients can be taken to the hospital more quickly (8), (c) the rural road is in good condition and automobiles are suffering less depreciation (8), (d) children and adolescents can now leave the community to study in other locations(5), (e) land in the community has increased in value (2), (f) the number of stores in the community have increased, (g) better relations with people from other provinces (2), (h) public health has installed a clinic and is providing services to us (2), (i) there are more tourists visiting (2), (j) the project has given employment to two road workers (1), (k) the community residents now have an incentive to buy automobiles(1), (l) more people are earning a living transporting local residents on motorcycles (1), (m) hybrid cacao production has increased as a result of the project (1), and (n) there is a close relationship with agronomists.

DEFICIENCIES: (a) Instead of bridges, there are under-water ramps, and these do not permit traffic to pass during times of high water, (b) insufficient materials and tools for the maintenance of the highways, (c) the Rio Arroyo river defenses have been washed away (5), and (d) the Secretary of Public Works has forgotten about its laborers (2).

2. The Workshop of the Province of Samana Regarding the Rural Road Samana-La Galera-Manuel Chiquito-La Colmena-Los Toconos-Catellalito-El Rincon (10.5 kms.), July 25, 1986, 18 Participants

BENEFITS: (a) Products purchase and sale of products is now easier(15), (b) sick can be taken to the hospital more easily (10), (c) it is possible to travel to the other provinces with much more ease (8), (d) the Secretariat of Public Works is complying with its road workers (8), (e) there is somebody who is responsible for road maintenance (5), (f) there are people who come to the community now and leave their income behind (5), (g) home improvements have increased in the communities (3), (h) there is more tourist capacity, and (i) with his income the road worker has improved his cocoa plantation.

Evaluation Workshops: Projects of the SEOPC (2)

Workshop of the Province of Samana (continued)

DEFICIENCIES: (a) The underwater stone ramp becomes a dam in the rainy season (10), (b) the river washed away the bridge (6), (c) the neighbors throw garbage into the drainage ditches and thus clog them (6), (d) the source of gravel for filling up holes is located at a distance of 2 kms. (6), (e) local residents are tying their animals to the irrigation culverts (4), (f) nobody consulted the community about the bridge before it was built (3), (g) when there are problems with the road, the road worker does not go to report these to the road commission (2), (h) two members of the road commission have left the community and have not yet been replaced (2), (i) we do not consider the project finished yet, and (j) the road is being diverted from its original planned route to serve the tourist complex (1).

The 18 participants evaluated the work of the SEOPC as "good".

P R O J E C T S U M M A R Y

<u>Name of Project</u>	Wave Breaker of Santo Domingo	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	SEOPC	
<u>Total Project Cost</u>		RD\$ 7,477,538
<u>Financing</u>	USAID 517-0171/1	2,000,000
	517-K-039/B	500,000
		<u>2,500,000</u>
Other Institutions:	Government of the Dominican Republic	3,977,538
<u>Duration of the Project</u>	13.5 months	
<u>Date Initiated</u>	December 1984	
<u>Date Estimated to End</u>	December 1986	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To protect installations of the port of Haina.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-The collection of protective blocks already existing in the wave breaker.	6,400 m ³	1,650 m ³
-The creation of a protective shell.	2,190 units	1,547 units
-Construction of a wall and a covering slab.	1,300 m ³	860 m ³
<u>Resources Planned and Spent</u>		
-Without detailed expenditure	3,500,000	41%: 1,435,000
-These have been made to the contractor in seven separate checks.		

Wave Breaker of Santo Domingo (2)

General Comments

The project consists in the reconstruction and improvement of the state of the wave breaker of San Souci, located on the southeastern side of the port of Santo Domingo.

The work consists of the following:

- Extraction of blocks in the form of a prism from the sea side of the wave breaker and their placement on the interior side.
- The area without blocks is immediately filled with a rock covering and then large boulders of five, ten, and fifteen tons are placed at intervals with the heaviest stones on the extremes.
- The execution of a slab and containing wall at the top of the wave breaker.

The original cost of the project was budgeted at RD\$ 4,766,942, which was later changed due to an increase in escalation of prices.

Positive Aspects

- The project will assure the safe operation of the port of Haina, protecting it particularly from wave action due to storms.

Deficiencies

- Lack of funds to pay the contractor.
- Limitations in advance of the project due to bad weather.
- Damages to the wave breaker during the storm on Sept. 13, 1985, which has proceeded to elevate costs.

Recommendations

- Conduct the necessary inquiries and efforts in order to obtain the funds necessary to continue the project.
- Open a separate account for the management of funds coming from AID.
- To require the presentation of trimestral reports to the coordinating unit.

PROJECT SUMMARY

4-10

<u>Name of Project</u>	Intersection of the Duarte Highway with the 27th of February Avenue		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	Secretariat of Public Works (SEOPC)		
<u>Total Project Cost</u>			RD\$ 4,567,074
<u>Financing</u>	USAID	517-0171/2	2,000,000
	Other Institutions:	Government of the Dominican Republic	2,967,074
<u>Duration of the Project</u>	4 months		
<u>Date Initiated</u>	April 1983		
<u>Date Estimated to End</u>	August 15, 1986		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u> To reduce the travel time for entering and leaving Santo Domingo, alleviating the very heavy traffic congestion.	Not specified	Not measured

Specific Objectives/Activities

-Extension of the 27th of February Avenue	2.25 kms.	2.25 kms.
-Construction of a traffic overpass	1	1

Resources Planned and Spent

-Without specific expenditure.	2,000,000	28%: 560,000
-Paid with one check to the builder of the overpass, and four checks to the contractor who has built the extension of the 27th of February Avenue.		

Intersection of the Duarte Highway with the 27th of February Avenue (2)

General Comments

This project is justified by the urgent necessity to alleviate the traffic congestion at km. 8 of the Duarte Highway, a place where there is a serious concentration of traffic from different zones. The extension of the 27th of February Avenue, the entrances to the bridge and the overpass itself, are practically finished. It is only necessary to protect the bases and to asphalt some of the approaches. The executing unit is in the process of cancelling the contract with the contractor in view of the fact that the job will be turned over to another contractor who is building the Duarte Highway.

Positive Aspects

None, as the overpass is not yet in service.

Deficiencies

- The project has delayed a long time.
- Even though the overpass has been built for some time, it is not in use because the approaches have not been completed.
- The project does not carry a separate accounting of funds originating from AID.
- The project has not submitted any reports to the coordinating unit.

Recommendations

- That the overpass be placed in service as quickly as possible.
- Require that the contractor turn over a final report to the coordinating unit.

PROJECT SUMMARY

4- 11

<u>Name of Project</u>	Nizao-Valdesia Irrigation		
<u>Location</u>	Peravia and San Cristobal		
<u>Executing Institution</u>	National Institute of Hydraulic Resources (INDRHI)		
<u>Total Project Cost</u>			US\$ 40,700,000
<u>Financing</u>	USAID (Counterparts)	PL480-I/84	RDS 2,300,000
		PL480-I/85	3,000,000
		517-0171/1	4,000,000
			<u>9,300,000</u>
	Other Institutions:	World Bank	US\$ 27,000,000
		Govt. of Dominican Republic	US\$ 13,700,000
<u>Duration of the Project</u>	6 years		
<u>Date Initiated</u>	June 1981		
<u>Date Estimated To End</u>	December 31, 1986		

	G O A L S	
	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	None	None
<u>Overall Project Purpose</u> To increase the productivity of agricultural production in the zone and improving the efficiency in the supply of irrigation water to 87,500 tareas.	None specified	Not measured
<u>Specific Objectives/Activities</u>		
-To expand and resurface the canals, Marcos A. Cabral, the Nizao-Najayo Lateral, tertiary canals Nizao I and Nizao II; and to improve existing structures for irrigation system maintenance.	107 km.	67 km.
-To provide technical assistance to INDRHI in the maintenance and operation of irrigation systems, assuring the security and proper functioning of the Valdesia Dam, photography of the project area and its agricultural development.	1	60%
-To increase the area under irrigation by 4,400 hectares.	4,400 hectares	
<u>Resources Planned and Spent</u>		
-Unspecified expenses	9,300,000	3,348,000
-For expenditures to date from the counterpart fund		(36%)

Nizao-Valdesia Irrigation (2)

General Comments

- Initially the construction activities of this project were conducted by the executing agency.
- The work was then turned over to the AGROMAN contractors and their activities are the ones indicated in the project targets. Their work includes the expansion and lining of canals of existing structures. At the present time, the work is paralyzed, since December 1985. There are parts of finished canals, parts in construction, and sections that have not yet been initiated.
- It is important to note that the work is being conducted in a zone that was formerly under production and had an irrigation service. For this reason, there are provisional structures in the contract for maintaining this service while the rest of the project is completed. The physical advance of the project reached, as of December 1985, was about 51%, prior to paralysis of the project. The project was due to be completed on June 30, 1986.
- The technical assistance to INDRHI is being carried out by means of separate contracts for each one of the defined activities.

Positive Aspects

- The completion of the study for the operation of the Valdesia Dam, ranging from normal periods to emergency periods: this has permitted a much more efficient use of available water and energy potential.

Deficiencies

- The work under this project is for all intents and purposes paralyzed.
- The project will not be completed on time.
- The project does not have an accounting system to account for funds originating from AID.
- The major problem is the lack of counterpart funds, which has created more and new problems, particularly claims by the contractor.
- The remaining problems are relatively small in comparison to those of lack of sufficient counterpart funding.

Recommendations

- The project needs to establish a separate bank account for the control of funds received from AID.
- The executing agency should be fully informed of the details of the financial agreement, disbursements, and expenditures to be made as specified by the project agreement with AID.
- The Government must make a greater effort to comply with its contractual obligations to thereby eliminate the causes of the paralysis of this project and to re-initiate project activities as soon as possible.
- The supervision of the project should attempt to define very clearly those causes of project delay which are caused by the contractor and those which are caused by factors beyond contractor control.

PROJECT SUMMARY

4-12

<u>Name of Project</u>	Sabaneta Irrigation		
<u>Location</u>	Province of San Juan		
<u>Executing Institution</u>	INDRHI		
<u>Total Project Cost</u>			RD\$ 80,532,000
<u>Financing</u>	USAID (Counterparts)	PL480-I/84 PL480-I/85 517-0171/1	1,000,000 1,000,000 2,000,000
			RD\$ 4,000,000
Other Institutions:	BID Govt. of Dominican Republic		RD\$ 59,000,000 21,532,000
		Total	80,532,000
<u>Duration of the Project</u>	2 years		
<u>Date Initiated</u>	April 20, 1985		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	3,200 families	Not measured
<u>Overall Project Purpose</u>		
To increase the production of the zone, particularly increasing income levels of benefit families by means of the rational use of soil, water, and climactic resources in the area of the Sabaneta Dam.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-Rehabilitation of the canal, J.J. Puello	23 kms.	100%
-Construction of primary & secondary canals	160 kms.	15%
-Principal drains & receptors	64 kms.	15%
-Complementary structures	Various	0%
-Rehabilitation of water districts	Various	0%
-Implementation of pilot plan for water administration	Various	0%
<u>Resources Planned and Spent</u>		
-Programmed target	4,000,000	1,000,000 (25%)

Sabaneta Irrigation (2)

General Comments

This project consists of the rehabilitation of the canal mouth and the principal existing canal, J.J. Puello, and secondary canals. It includes the construction of secondary and tertiary canals, as well as a system of drainage, all of which will permit the incorporation of 5,440 hectares of new land, thereby reaching a total of 20,680 hectares for the irrigation project as a whole. As of this time, the expenditures on the Sabaneta irrigation have reached US\$ 11,410,000.

Positive Aspects

The principal canal has been rehabilitated, and has been placed in service. Roads have been rehabilitated throughout the project zone. The project has created a source of work for a large amount of unskilled labor. It is estimated that with 30% of the total investment in labor costs, it has now generated RDS 3,500,000 of labor, equivalent to 300,000 days of labor.

Deficiencies

- Lack of compliance of the government with its counterpart obligations.
- Delays in the disbursement of funds.
- Lack of a separate account to manage funds originating with AID.
- Staff of INDRHI does not have a clear knowledge of the terms of the project agreement.
- There is a lack of targets for measuring the objective of increased production and income.
- No reports have been submitted to the coordinating unit.
- The INDRHI staff was ignorant of that the last disbursement of the project originated with AID because the check did not specify which source provided this funding.

Recommendations

- To open a separate bank account to manage and control funds originating from AID.
- To facilitate counterpart disbursements.
- Require compliance with the submission of trimestral reports.
- Establish measurement of impact indicators for variables such as: increased production, income, employment, number of beneficiaries reached by the project, etc.

PROJECT SUMMARY

4-13

<u>Name of Project</u>	AGLIPO		
<u>Location</u>	Province of Maria Trinidad Sanchez and Duarte		
<u>Executing Institution</u>	National Institute of Hydraulic Resources (INDRHI)		
<u>Total Project Cost</u>			RD\$ 131,200,000
<u>Financing</u>	USAID (Counterparts)	PL480-I/85	2,000,000
		PL480-I/85	1,000,000
		517-0171/2	1,000,000
			<u>4,000,000</u>
	Other Institutions: Government of Japan		RD\$ 101,800,000
	Government of Dominican Republic (including AID funds)		29,400,000
<u>Duration of the Project</u>	45 months		
<u>Date Initiated</u>	September 1985		
<u>Date Estimated To End</u>	May 1989		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To improve irrigation conditions, increasing rice production in 50,000 metric tons over an area of 7,500 hectares, located in the zone of El Pozo, of the AGLIPO development project in Bajo de Yuna.	50,000 metric tons	Not measured
<u>Specific Objectives/Activities</u>		
-To install pumping stations	1 unit	8%
-Irrigation canals	218 kms.	5%
-Drainage	200 kms.	10%
-Control doors against tides	3 units	-
-Rehabilitation of existing roads	300 kms.	10%
-Longitudinal dikes where the project empties out into the Nagua River	350 meters	-
-Other project structures	Various	-
<u>Resources Planned and Spent</u>		
-Planned target	4,000,000	67%
-For contractor and project supervision		2,670,000

AGLIPO (2)

General Comments

- The project is being constructed by a consortium of Japanese and Dominican firms, AOKI-TAISEI. The design and supervision of the project is contracted to the firm, Consultants International of Japan - E.A. Roa & Associates. The size of the total contract is RD\$ 100,228,690.
- During the visit of the consultants to the project, it was observed that construction was proceeding in the canal mouth, the structures for supplying the pumps, the gates, the pumping wells, and the siphon canal. The principal drain is being dredged by floating dredge equipment using suction, and supported by a floating retro-excavator.
- The general physical compliance with project progress is roughly 5%.

Positive Aspects

- The mechanism for resource use is independent of INDRH, and so this has avoided unsupervised transfers of funds.
- The contract has provided for expenditures on expropriated lands, which will allow the project to proceed without delays.
- The project is generating labor opportunities, which to date are estimated at 600,000 days of labor.

Deficiencies

- To the present time, there are no problems.
- No separate bank account exists for funds originating from AID.
- No reports have been submitted to the coordinating unit.

Recommendations

- That a separate account be established for funds originating with AID.
- That the executing agency comply with its obligation to submit trimestral reports to the coordinating unit.

PROJECT SUMMARY

4-14

<u>Name of Project</u>	Rehabilitation of Canals		
<u>Location</u>	Province of San Juan, Elias Pina		
<u>Executing Institution</u>	National Institute of Hydraulic Resources (INDRHI)		
<u>Total Project Cost</u>	Not specified		
<u>Financing</u>	AID	PL480-I/84	RDS 1,500,000
		PL480-I/84	1,000,000
		PL480-1/85	1,000,000
			<u>3,500,000</u>
	Other Institutions: Government of the Dominican Republic: 250,000		
<u>Duration of the Project</u>	2 years		
<u>Date Initiated</u>	September 1984		
<u>Date Estimated to End</u>	December 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	19,050 families	Not measured
<u>Overall Project Purpose</u> To incorporate new areas for rice production, improving the operation of irrigation systems thereby benefiting the income levels of participating families.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-Rehabilitation of the La Vega drain	1	100%
-Construction of the Madre Vieja dike, Vallejuelo No.2, Matayaya & Guanitu	4	50%
-Rehabilitation of the lateral canals Comendador & Las Carreras del Canal del Llano	2	70%
-Rehabilitation of the canals Capita Yabacao Yabacao y Savita	3	60%
<u>Resources Planned and Spent</u>		
-For canal rehabilitation	3,500,000	1,464,000 42%

Rehabilitation of Canals (2)

General Comments

This project consists of the cleaning and removal of sediment from the drainage system of La Vega, and the construction or rehabilitation of a number of other structures, as follows:

-Vallejuela Dike	60%
-Matayaya Dike	20%
-Guanito Dike	20%
-Rehabilitation of L. Comendador	70%
-Renabilitation of L. Las Carreras	70%
-Rehabilitation of the Capita-Tabacao Canal	50%
-Rehabilitation of the Tabacao Canal	30%
-Rehabilitation of the Savita Canal	75%
Average -	<u>60%</u>

Upon initiating this project, a private consulting firm was hired for supervision of the project, particularly for the three dikes, for a period of eight months. At the end of the eight months, the supervision was taken over by the executing agency.

Positive Aspects

- The areas where the project is being undertaken are very adequate for a rapid recuperation of the investment.
- The benefits to small farmers will be considerable because it will assure them of a constant source of irrigation water.
- The project is complying with the submission of trimestral reports.

Deficiencies

- The deadline for project completion has been passed.
- There are delays in contractor payments.
- Part of the work under the project has been done under the direct supervision of the executing agency.
- One of the contracted works is paralyzed without justification (Matayaya Dike).
- The executing agency does not have any information of the last disbursement of AID funds to this project.
- To keep the project advancing, funds from other sources have been channeled into this project by means of provisional transfers.
- There has been a bad selection of contractors, several of whom have abandoned the job or have paralyzed their work without valid justification.
- Disbursements to the project have been greatly delayed.
- Climatic problems have delayed completion of project activities, particularly in the southeast area of the country.

Rehabilitation of Canals (3)

Recommendations

- It is necessary to implement a work program with an up to date, detailed control of delays imputable to the contractors.
- Contractors who do not comply with their contractual obligations have seriously affected the advance of this project, and often without having any justifiable motive for suspending or paralyzing their activities.
- Such contractors should not be given consideration for future work.
- Given the availability of resources to finance project execution, the executing agency should be up to date in the payment of its obligations.
- It is necessary to open a separate bank account for funds originating with AID.
- It is necessary to utilize the services of an external consultant for the supervision of the project; the same consultant evaluating project progress from its inception to its completion.

EVALUATION WORKSHOPS FOR INDRHI PROJECTS

Two impact evaluation workshops were conducted with beneficiaries of INDRHI projects, one in San Cristobal with seven participants and the other in Bayaguana (Monteplata) with 28 participants. Below we present the conclusions of each seminar.

1. Workshop for the Municipality of San Cristobal, Province of San Cristobal, Concerning Rehabilitation of Canals, July 29, 1986, 7 Participants

BENEFITS: (a) Increased production (4), (b) we have water for irrigation during the dry season (2), (c) the water now reaches our farms through the canal system (2), (d) the project is helping families achieve better nutrition and education of their children, and (e) the canal has caused the community to be reborn (1).

DEFICIENCIES: (a) We now have water but we don't have tractors to work the land (5), and (b) in the low parts, the water overflows its boundaries and is wasted (5).

2. Workshop for the Municipality of Bayaguana, Province of Monteplata, Concerning Canal Rehabilitation, July 29, 1986, 28 Participants

BENEFITS: (a) Better facilities for obtaining credit (14), (b) more water for agriculture (13), (c) better harvests (16), (d) now we can plant in April whereas before we couldn't (4), (e) greater quantity of land for irrigation (4), (f) easier facilities for farm labor (2), (g) fewer problems among land owners concerning water distribution (2), (h) the project offers improved services to households (cooking, bathing children, better hygiene for the family, etc.) (1).

DEFICIENCIES: (a) Due to delays, the project is not yet finished (10), (b) difficulties in obtaining machinery for the maintenance of the project (8), (c) the users' labor has been complicated by these delays (6), (d) there are 13 kms. of the lateral canal that do not need irrigation because they have been planted in sugar cane (5), (e) there is no dam (1), (f) there is not any machinery for land owners, (g) contractors have failed to complete their obligations (2), (h) there is insecurity about whether there will be a sufficient supply of water through the canal system in the future.

P R O J E C T S U M M A R Y

4-15

<u>Name of Project</u>	Yaque del Norte (PRYN) Second Stage	
<u>Location</u>	Province of Valverde	
<u>Executing Institution</u>	National Institute of Hydraulic Resources (INDRHI)	
<u>Total Project Cost</u>		US\$ 27,800,000
<u>Financing</u>	AID (Counterpart) 517-0171/1	RD\$. 2,500,000
	Other Institutions: Mexico	US\$ 20,000
	Government of the Dominican Republic	6,850
<u>Duration of the Project</u>	2 years	
<u>Date Initiated</u>	June 30, 1986	

G O A L S

Planned

Achieved

<u>Coverage: Beneficiaries</u>	Not specified	Not measured
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<u>Overall Project Purpose</u>		
To increase agricultural production, incorporating new areas in the production and more efficient agricultural technology.	Not specified	Not measured

Specific Objectives/Activities

-To finish primary canals	17 kms.
-Construction of secondary canals	113 kms.
-To rehabilitate the principal drain	10 kms.
-To excavate the main drain	13 kms.
-To dredge secondary drains	150 kms.

Resources Planned and Spent

For payments of supervision (HARZA-IECCA)	2,500,000	1,237,000 49%
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Yaque del Norte (PRYN) Second Stage (2)

General Comments

The project is based on an agreement signed by Mexico and the Dominican Republic to finance a total undertaking of US\$ 36.8 millions.

- For the first stage of the project, the Mexican contractor is owed a debt of \$21,000,000, of which 80% is financed by external financing and \$4.2 million is to be paid by the government of the Dominican Republic.
- The government commits to contracting the execution of the second stage of the project with the same contractor for the sum of US\$ 25,000,000, once again with \$20,000,000 of this project financed by Mexico, and the other 20% by the Dominican government.
- The support and financing of AID is to cover the supervision contract contracted out to the firm of HARZA-IECCA.
- The order to initiate the project was given June 30, 1986, for which reason the work is just beginning, and the supervision firm is just installing its offices in the locality of Esperanza.

Positive Aspects

- The project is under way and looks to be finished on schedule and should take advantage of the structures completed during Stage 1.
- The project is generating considerable local demand for unskilled labor, estimated 10,000 days of labor per month.
- The project's demands for materials and local services will greatly stimulate the local economy of Santiago.

Deficiencies

- The executing agency is just getting under way with this project.
- There was considerable difficulty in obtaining information on this project from the offices of INDRHI.

Recommendations

- The project needs to open a separate bank account for funds originating with AID.
- It is necessary to educate project personnel in the details of the project agreement with AID, and particularly the schedule of disbursements.
- Because of the contractual arrangements of this undertaking, its success or failure, which in turn will increase its costs, will be based fundamentally on the effectiveness of supervision, so it is recommended that the best possible consulting supervision be contracted for this project.
- Considering the experience of Stage 1 of the project, it is necessary to have a consulting firm with a national office, as suggested by the director of the Nizao Valdesia project, a firm that would also be responsible for evaluating contractual matters and make final determinations of responsibility for demands by the contractor.

P R O J E C T S U M M A R Y

4-16

<u>Name of Project</u>	Haina I	
<u>Location</u>	Port of Haina	
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)	
<u>Total Project Cost</u>		RD\$ 3,000,000
<u>Financing</u>	AID - PL480-1985	RD\$ 3,000,000
<u>Duration of the Project</u>	3 months (project is completed)	
<u>Contractor</u>	IEMCA/CESI	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To rehabilitate the unit for the recuperation for generating capacity.	90% of capacity	Temporarily achieved *

Specific Objectives/Activities

Major maintenance to the water circulation, condenser, fuel system, and gas systems, changes in the station, and repair of the condenser. Competed repairs by July 1985

Resources Planned and Spent

-Planned expenditures	3,000,000	
-Total disbursements as of June 24, 1985		3,000,000
-Letters of credit from the Reserve Bank in the name of CESI/IEMCA		
-Additional sum paid to contractor due to differences in the exchange rate.		150,000
		<u>3,150,000</u>

*The plant is once again out of service due to an accident to its lubrication system. See General Comments.

Haina I (2)

General Comments

The repair of the Haina I unit was completed in July, 1985, and the plant was placed immediate service in an adequate manner. However, the plant is now once again out of service due to an accident to the lubrication system, which in turn produced damages to the turbine and generator. It is expected that the line will be in service again in one to two weeks (mid-August) with a total estimated cost of US\$ 1,500,000 to US\$ 2,700,000, depending on the extent of the internal damages.

Positive Aspects

The project has a manager assigned by the CDE, foreign advisors, Dominican advisors, and resident engineers placed by the contractor, as well as technical personnel by the CDE on a full time basis for supervision. There is an information system that is quite adequate, which involves chronograms, files, and statistics to measure the real advance of the work against projected targets. This in turn generates weekly and monthly reports on project performance that go directly to the CDE top management.

Deficiencies and Recommendations

It should be noted that for the complete rehabilitation of the unit, it will be necessary to totally repair the turbine and the generator, as well as the water boards.

It is necessary to avoid single disbursements, particularly for a project involving such large sums of money, so that the coordinating unit will have greater control over contractor compliance, and also over the CDE as the executing institution. In the future, each monthly report of work progress should have a copy sent to the coordinating unit.

PROJECT SUMMARY

4-17

<u>Name of Project</u>	Haina V		
<u>Location</u>	Port of Haina		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			RD\$ 9,457,755
<u>Financing</u>	AID	PL480 - 1985	9,500,000
		517-K-0171/2	2,750,000
			<u>12,250,000</u>
<u>Duration of the Project</u>	3 months (project completed)		
<u>Contractor</u>	The General Electric International Consortium, Puerto Rico INC/IEMCA		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	
<u>Overall Project Purpose</u>		
To recuperate the generating capacity and efficiency of the #5 unit.	95% efficiency	Functioning

Specific Objectives/Activities

Rehabilitation and major maintenance of the water system, the fuel system, gas, boiler, turbine, and auxiliary elements of the #5 unit.	4 separate stages	Unit placed in service in June, 1986
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Resources Planned and Spent

-Payment by means of letters of credit through the Reserve Bank	US\$ 2,660,000
	830,000
-Total contractor payments	US\$ <u>3,490,000</u>
-Estimate of payments for pending work completed	810,000
	US\$ <u>4,300,000</u>
	(RD\$ 9,462,000)

Haina V (2)

Modification of Targets

The modification of targets resulted in a decision to rehabilitate Units I, II, III, and IV as part of the total rehabilitation project of the Haina electric generating station, with a total cost of US\$ 21,900,000. It is estimated that these other units can also be repaired in a period of four to six months.

Positive Aspects

As with Project 4-16, Haina V has a manager assigned by the CDE, foreign and Dominican advisors, resident engineers provided by the contractor, and full time CDE technical personnel for supervision. The information system includes a chronogram for activity measurement of contractor tasks. These tasks are approved by the CDE manager on site and sent to top management which in turn approves payments to the contractor.

Deficiencies and Recommendations

With the expansion of the initial project, there exists much more justification for a careful accounting and technical supervision by the coordinating unit. It is necessary that copies of work advance be sent to the coordinating unit. Although this will possibly delay payments to the contractors, the payments should be previously approved by the coordinating unit, pending the receipt of a submitted report on the work completed to date, and combined with an inspection visit by an external supervisor.

PROJECT SUMMARY

4-18

<u>Name of Project</u>	Rehabilitation of the Gas Turbine of San Pedro de Macoris		
<u>Location</u>	San Pedro de Macoris		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			RD\$ 7,600,000
<u>Financing</u>	AID	PL480 - 1985	7,600,000
<u>Duration of the Project</u>	Two years		
<u>Date Initiated</u>	May 1985		
<u>Date Estimated to End</u>	December 1986		
<u>Contractor</u>	Westinghouse		

G O A L S

<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>	Not specified
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Overall Project Purpose

To purchase spare parts and engineering service for the repair of the gas turbine.

Specific Objectives/Activities

<ul style="list-style-type: none"> -To repair the fixed and mobile float boards of the gas turbine. -To rehabilitate the combustion system and its additional components. -To remodel the filter house. -To repair and maintain the generator, starter, and other electrical parts. 	<p>None of these objectives have planned targets.</p>	<p>85 - 90% completed.</p>
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Resources Planned and Spent

RD\$ 7,600,000

<p>-Payments to date This was paid through a letter of credit through the Reserve Bank, #1-85-0030, dated June 20, 1985, in favor of Westinghouse.</p>	<p>RD\$ 7,361,685 (97%)</p>
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Rehabilitation of the Gas Turbine of San Pedro de Macoris (2)

General Comments

This project is directed by CDE engineer, Luis Pemberton, the manager of the gas turbine plant, who is coordinating along with the Westinghouse contractors, all work conducted under the contract and supervisor's reports and requests submitted to the central office. From the central office, supplies and materials are being provided, and an accounting system has been provided for this project. The reports are generated at the end of each project task. The gas turbine has been under repair for eighteen months.

Positive Aspects

The progress of this project is adequate considering that the plant continues to be used twelve hours a day. The project is expected to be completed in another two months. The degree of compliance on this project is 85 - 90% of planned activities. The only thing lacking is the installation of repairs of spare parts which have been ordered.

Deficiencies

- The maintenance of the equipment isn't preventive but curative, due to the fact that the plant is in continuous operation half the day.
- There are some continuing problems with the turbine which may escalate project costs.

Recommendations

Require that the reports on project advance be submitted monthly to the coordinating unit.

PROJECT SUMMARY

4-19

<u>Name of Project</u>	Impedance Plant	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)	
<u>Total Project Cost</u>		RD\$ 2,000,000
<u>Financing</u> AID	PL480 - 1985	2,000,000

<u>Duration of the Project</u>	1 year
<u>Date Initiated</u>	June 1985
<u>Date Estimated to End</u>	September 1986
<u>Contractor</u>	Civilian & Maritime Contractors, CXA/SANGAMO Capacitors Division

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	

Overall Project Purpose

To construct a mooring for the floating thermo-electric barge impedance.

Specific Objectives/Activities

-Construct the bases of the mooring	2	90%
-Construction of auxiliary structures, guard rails, containing walls.		Work completed.

Resources Planned and Spent

-Letter of credit, July 23, 1985	210,559
-Letter of credit, June 20, 1985	749,204
-Letter of credit, July 24, 1985	842,237
	<u>1,802,000</u>

Impedance Plant (2)

General Comments

The progress of this project is proceeding normally. The CDE provides supervision by means of an engineer, Pedro Fafnir, the future head of the floating barge. The reports of work progress are sent directly to the CDE, but these have not been communicated to the coordinating unit. It was not possible to confirm level of expenditures, only disbursements through letters of credit. An intensive accounting of this project by the coordinating unit is recommended to confirm documentation of expenditure levels to date.

PROJECT SUMMARY

4-20

Name of Project Rehabilitation of Sub-Stations
Location National District
Executing Institution Dominican Electrical Corporation (CDE)
Total Project Cost RD\$ 2,923,530
Financing AID PL480 - 1985 2,924,000

Duration of the Project 2 years

Date Initiated December 1985

Date Estimated to End December 1987

Contractors Westinghouse, Ohio Transformer, San Angels, General Electric, Albert Intl.

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	

Overall Project Purpose

To rehabilitate plants & sub-stations of Santo Domingo to increase the supply of electricity and improve its sufficiency of generation and distribution.

No documentation for lack of access to information.

Resources Planned and Spent RD\$ 2,924,000

Total disbursements to date	RD\$ 2,745,000 (94%)
-Letter of credit, Ohio Transformer	US\$ 87,550
-Letter of credit, San Angels Electric Service	65,558
-Letter of credit, General Electric	112,500
-Letter of credit, Albert International	185,000
	<u>450,608</u>
-Funds pending disbursement	464,353
	<u>915,061</u>
	(RD\$ 2,745,000)

General Comments

This project is limited to the capacitation of transformers by means of their purchase or repair, and subsequent installation in the existing network. The installation activities have initiated, but the physical advance of the work is not known for lack of access to CDE technical and accounting information. A technical and accounting audit by the coordinating unit is strongly recommended.

PROJECT SUMMARY

4-21

<u>Name of Project</u>	Rehabilitation of the Gas Turbine at Barrahona		
<u>Location</u>	Barrahona		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			RD\$ 10,200,000
<u>Financing</u>	AID	PL480 - 1984	6,500,000
		PL480 - 1985	1,600,000
		517-K-0171/2	2,100,000
			<u>10,200,000</u>
<u>Duration of the Project</u>	1 year		
<u>Date Initiated</u>	October 1985		
<u>Date Estimated to End</u>	October 1986		
<u>Contractors</u>	Westinghouse Consortium/IEMCA Electrical Reconstruction, Inc.		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	
<u>Overall Project Purpose</u>	To correct problems in the rotor to achieve an adequate functioning of the unit.	

Specific Objectives/Activities

To dismantle the rotor and send it to the factory to change its internal parts and do balancing tests on the rotor.	Rotor has been repaired at the factory and returned.
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<u>Resources Planned and Spent</u>	RD\$ 10,200,000
<u>Expenditures to date</u>	<u>8,232,000 (81%)</u>
-Letter of credit, Westinghouse (US\$ 2,295,000), 3/10/86	6,885,000
-Letter of credit, Westinghouse (US\$ 405,000), 11/28/85	1,215,000
-Letter of credit, Electric Reconstruction (US\$ 44,000), 12/11/85	132,000
	<u>8,232,000</u>

General Comments

Because of the CDE's energy requirements, the norm of stopping equipment every 10,000 hours of operations for preventive maintenance purposes is not being honored. This factor, combined with the lack of spare parts, has prevented optimum use of the unit. Once rehabilitated, it would be necessary to insist on strict compliance with the preventive maintenance schedule. We recommend an audit for the uses of funds received since the CDE refused to provide accounting data to the consultants.

PROJECT SUMMARY

4-22

<u>Name of Project</u>	Cooling System of the Generating Plant at Haina		
<u>Location</u>	Port of Haina		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			US\$ 1,500,000
<u>Financing</u>	AID	PL480 - 1984	669,000
<u>Duration of the Project</u>	1 year		
<u>Date Initiated</u>	To be initiated, possibly in October		
<u>Contractor</u>	Burns & Roe, Inc.		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	
<u>Overall Project Purpose</u> To correct in a definitive manner the contamination of water of the cooling system of the Haina unit and to provide for the production domestically in the DR of sodium hypochloride necessary for CDE electrical plants throughout the country.	Not specified	Project has not begun yet.
<u>Specific Objectives/Activities</u>		
-To provide for the installation of a Skimmer Wall for all the units of Haina, and for the condensor on Units III & IV.	5 units at Haina, 2 units for the condensor.	Project has not begun yet.
-A system for washing the condensor with the ARMEDTAR system using rubber bags.	1 unit	
-Construction of hypochloride plant	Planned for 1987.	Being studied.
<u>Resources Planned</u>	RD\$ 669,000	
-No available documentation of expenditures yet.		

General Comments

Because this project is only just getting initiated, there is no data base to evaluate the advance and the results of the project.

PROJECT SUMMARY

4-23

<u>Name of Project</u>	Computer Cards P50		
<u>Location</u>	San Pedro de Macoris		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			RD\$ 76,000
<u>Financing</u>	AID	PL480 - 1985	76,000

<u>Date Initiated</u>	December 1985
<u>Contractor</u>	Westinghouse

G O A L S

<u>Planned</u>	<u>Achieved</u>
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Coverage: Beneficiaries

None specified

Overall Project Purpose

To replace the P50 cards of the command computer of the gas turbine.

Resources Planned and Spent

-Letter of credit to Westinghouse, Dec.12, 1985

RD\$ 76,470

General Comments

The executing institution, on the occasion of the visit by the consultants, was unable to provide information on the physical status of the project or its financial expenditures. An audit is recommended to determine the sources and uses of funds in this project.

PROJECT SUMMARY

4-24

<u>Name of Project</u>	Lopez Angostura		
<u>Location</u>	Rio Bao and Yaque del Norte		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			US\$ 63,810,000
<u>Financing</u>	AID	517-K-0171/1	RDS 1,000,000

<u>Duration of the Project</u>	4 years
<u>Date Initiated</u>	February 1983
<u>Date Estimated to End</u>	July 1987
<u>Contractor</u>	Agroman, Reyrpec Espanola, S.A. Brown Boveri & Co.

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

<u>Overall Project Purpose</u> To regulate the volume of water coming out of the central plant of the Tavera Bao to satisfy the irrigation requirements thereby allowing the Tavera unit to become optimally efficient and to increase its generation by means of the power plant of Lopez Angostura.	Not specified	Not measured
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Specific Objectives/Activities

The construction of a dam, a lake, a tunnel, a machinery house, auxiliary structures, and the installation of mechanical & electrical equipment, & a transmission line.	Completion is estimated at 80%.
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<u>Resources Planned and Spent</u>	Unknown for lack of access to data of the CDE.
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General Comments

This project has managed to unify the most important hydro-electric watershed in the country, making possible its management by means of the falls of Tavera and Lopez Angostura. It has not been possible to complete the project yet because of a law suit with the contractor, Agroman, which has paralyzed the work on the project.

In view of the lack of accounting and physical advance documentation for this project, it is recommended that an audit be initiated by the coordinating unit as soon as possible.

PROJECT SUMMARY

4-26

Name of Project Rehabilitation of the Turbo Gas Unit Timbeque

Location Colonial Zone, Santo Domingo

Executing Institution Dominican Electrical Corporation (CDE)

Total Project Cost RD\$ 5,800,000

Financing AID 517-K-0171/2

Duration of the Project 5 months

Date Initiated April 1986

Date Estimated to End September 1986

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

To repair the turbine to obtain a more stable generation of power and to regulate the voltage for the commercial zone and adjacent areas.

Specific Objectives/Activities

To replace various components of the feeder part of the unit, the gas system, the elimination and substitution of corroded parts, and repair of broken parts.

Units are in operation.

Resources Planned and Spent

Unknown, for lack of access to CDE accounting data.

General Comments

Although the units are in operation, it would appear necessary that they be stopped, because the time for their routine maintenance has already passed. All the logistical support as well as the financial control of the project is managed by the central office of the CDE, whose staff refused to give the consultants accounting or physical advance data on the project's performance. For this reason, it is recommended that top priority be given to an audit of this project by the coordinating unit.

PROJECT SUMMARY

4-27

Name of Project Transmission Line for the Tourist Zone

Location Monte-Cristi, Samana

Executing Institution Dominican Electrical Corporation (CDE)

Total Project Cost RD\$ 6,900,000

Financing AID 517-K-0171/2 6,900,000

Duration of the Project 1 year

Date Initiated April 1986

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

To improve the transmission system to stabilize and elevate the existing voltage in the zone so as to permit installation of industrial parks.

Specific Objectives/Activities

Installation of a transmission line of 69 kv in the section Navarrete-Cruce Esperanza-Monte-Cristi.

Project is in the bid process.

Installation of a transmission line of 69 kv in the section Nagua-Sanchez-Samana-Las Terrenas.

Resources Planned and Spent

The accounting and physical advance of the project is unknown for lack of access to CDE accounting information.

Comments and Recommendations

Because we are dealing with a project that has not yet been initiated, there are possibilities of designing a proper follow-up and evaluation system. The coordinating unit should require copies of all work and financial progress reports. It is also recommended that a single disbursement to the project for such a large sum be discouraged, but that instead, that project disbursements be distributed in several opportunities pending receipt of work progress reports. An audit by the coordinating unit is recommended for this project as soon as possible.

P R O J E C T S U M M A R Y

4-28

<u>Name of Project</u>	The Falconbridge Interconnection
<u>Location</u>	Bonao
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)
<u>Total Project Cost</u>	RD\$ 500,000
<u>Financing</u>	AID 517-K-0171/2
<u>Duration of Project</u>	3 months (project completed)

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To join up a 138 kv and a 69 kv to the sub-station and 140 MUA at Falconbridge, with the national electrical network by means of the Bonao II sub-station.		
<u>Specific Objectives/Activities</u>		
To install double transmission line of 69 kv on one side and 138 kv on the other.	Not specified	Work is finished & placed in service.
To control equipment.		Control panels are being waited for.
<u>Resources Planned and Spent</u>	The accounting progress of this project is unknown due to lack of access to CDE data.	

Recommendation

An audit of this project by the coordinating unit is recommended as soon as possible.

PROJECT SUMMARY

4-29

<u>Name of Project</u>	Rehabilitation of the Jimenoa Hydroelectric Plant		
<u>Location</u>	La Vega, Jarabacoa		
<u>Executing Institution</u>	Dominican Electrical Corporation (CDE)		
<u>Total Project Cost</u>			RD\$ 2,200,000
<u>Financing</u>	AID	517-K-0171/1	1,000,000
		517-K-0171/2	1,200,000
			<u>2,200,000</u>
<u>Duration of the Project</u>	4 months (project is completed)		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

To rehabilitate the Jimenoa Hydro-electric Plant destroyed by the hurricanes David and Frederick.

Specific Objectives/Activities

To repair gates, construction of new concrete supports, substitute transformers, rehabilitate the turbine, rewire the generator, construct the control house and the base of the sub-station, rehabilitate auxiliary structures and water access, installation of new transmission line, change of control panels and the protection system.

Unit is totally re-habilitated & generating from 7.9 MW to 8.4 MW. Project is waitin for spare parts to conduct routine maintenance.

Resources Planned and Spent

Financial status of the project is unknown due to lack of access to accounting data of the CDE.

Recommendation

As with other projects of the CDE, an audit is recommended as soon as possible by the coordinating unit.

PROJECT SUMMARY

4-30

Name of Project Rehabilitation of the Distribution Lines of the City of Santo Domingo

Location Santo Domingo

Executing Institution Dominican Electrical Corporation (CDE)

Total Project Cost RD\$ 1,500,000

Financing AID 517-K-0171/2 1,500,000

Duration of the Project 9 months

Date Initiated May 1986

Date Estimated to End October 1986

G O A L S

	<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>	Not specified	Not measured
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Overall Project Purpose
 To diminish the losses in the transmission lines, increasing the reliability and restricting illicit use of energy supply.

Specific Objectives/Activities

The installation of posts from 25-70 ft. high in diverse zones of the city, also transmission boxes, distribution lines, and new feeder lines.	Posts & lines have been installed - 40%. Transmission & feeder lines - 70% completed.
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<u>Resources Planned and Spent</u>	The financial status is unknown due to lack of access to accounting data from CDE.
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Recommendations

Because it was not possible to confirm dates of disbursements to contractors, nor details about bids and expenditures, it is recommended that the coordinating unit conduct an audit of this project as soon as possible.

PROJECT SUMMARY

4-31

<u>Name of Project</u>	Planar III	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	INAPA	
<u>Total Project Cost</u>		RD\$ 10,000,000
<u>Financing</u>	AID (Counterpart)	
	PL480-I/84	650,000
	PL480-I/85	400,000
	517-0171/2	500,000
		RD\$ 1,550,000
<u>Other Institutions:</u>		
	Inter-American Development Bank	8,100,000
	Government of the Dominican Republic	850,000
		<u>10,000,000</u>
<u>Duration of the Project</u>	4 years	
<u>Date Initiated</u>	December 1983	

G O A L S

		<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Original -	55,600	35,000
	Up-dated target -	67,380	35,000
<u>Overall Project Purpose</u>			
To improve the health conditions of rural localities & to ration the use of water in urban areas.		Not specified	Not measured
<u>Specific Objectives/Activities</u>			
-To provide potable water to rural localities		16 systems & 57 aqueducts	50%
-Increase the measurement of water sources & the provision of domicile service in the urban area.		67,380 units	30,000 units
<u>Resources Planned and Spent</u>			
-Planned target for AID funds		1,550,000	
-Actual expenditures based on payments to contractors & suppliers			1,050,000
			67%

Planar III (2)

General Comments

This project consists in taking advantage of existing water sources, purifying them by means of inclosed water lines, storing the water in regulator tanks, and from there distributing the resource to different localities by means of a distribution network.

The consultants visited the aqueducts of Tamarindo, El Salado, El Palmar de Tutupu, that are all under construction.

The installation of water meters is done by means of a water pump and also by water meters installed in private homes.

Positive Aspects

- After being paralyzed for some time, the project is now under way.
- The project is expanding its initial coverage targets.
- Water service has been initiated to those places where water meters have been installed.

Deficiencies

- Delays in the disbursement of funds from the Dominican government and the Inter-American Development Bank.
- Difficulty of some contractors who mandated a repair and alteration of some existing aqueducts.
- The project does not keep a separate bank account for funds originating with AID.

Recommendations

- To provide a separate accounting of funds that originate with AID.
- To attempt to modify project designs before contracts are signed, in order to avoid conflicts with contractors.

PROJECT SUMMARY

4-32

<u>Name of Project</u>	Neyba Valley Project		
<u>Location</u>	Province of Bahoruco		
<u>Executing Institution</u>	FEDA		
<u>Total Project Cost</u>			RD\$ 2,583,142
<u>Financing</u>	AID	PL480-I/84	1,667,934
		PL480-I/85	915,208
			<u>2,583,142</u>
<u>Duration of the Project</u>	7 months		
<u>Date Initiated</u>	April 1985		
<u>Date Estimated to End</u>	October 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	1,400 families	Not measured
<u>Overall Project Purpose</u> To improve the levels of rural income by increasing agricultural production and incorporating new areas under irrigation.	Not specified	Not measured
<u>Specific Objectives/Activities</u> To rehabilitate and put in service five irrigation canals.	24.5 kms.	
To irrigate 54,000 tareas.	54,000 tareas	

Resources Planned and Spent

-Canal Aguacatico	770,818	352,122
-Canal Los Grajos	492,335	723,936
-Canal Tavila	652,055	326,819
-Canal Conuquito Santa Ana	466,646	261,971
-Canal El Rodeo Galvan	201,887	201,287
	<u>2,583,141</u>	<u>1,839,135</u>

Neyba Valley Project (2)

The figures indicated on the previous page are those disbursements made with AID funds. But in the actual accounting, the investments in these projects has been higher, reaching a total of \$ 3,912,658, which is \$ 2, 073,523 more than what was received, and \$ 1,329,518 more than the approved amount. The differences have been covered according to project employees by self-earned income.

General Comments

The Neyba Valley project seeks to rehabilitate, improve, and complete five irrigation canals which will be built through a mixed system of contractor and self-administration by the executing institution. The criterion to be used is 75% of the work to be done by the contractor, and 25% of the work to be done by the executing institution.

The canals are dug into the earth and then protected by a cement covering, their capacity varying from .75 to 1 m³ per second and for a length of 24.5 kms. to irrigate 54,000 areas.

In one of the canals (Aguacatico), the original project was radically changed, both in its trajectory and in the type of irrigation to be used, gravity fed replacing pumping, and this in turn caused the abandonment of a significant trajectory, 1 km.

At the time of the consultants' visit, the canals were being lined with cement, and work on two of these canals was paralyzed for lack of opportune payment to the contractors.

Positive Aspects

- The canals are being built in depressed areas that have never received sufficient service.
- It is part of an integrated rural development project that includes other irrigation structures, roads, schools, communal centers, rural electrification, and sports fields.
- The project has generated approximately 50,000 days of unskilled labor for workers in the area.

Deficiencies

- Until April, 1986, all expenditures into this project were accounted for in a single account of FEDA. Since then, there has been an account opened to account for funds originating with AID.
- The expenditures accountable to each canal are accounted for by means of separate cards in which expenditures are monitored against the original budgeted amount.
- The work is slowed down.
- The total cost of the project is well above the disbursed amount and also well above the approved amount.
- Because of insufficient planning, it was necessary to abandon 1 km. of excavated canal, which in turn required a change of the Aguacatico from irrigation by gravity to a pump irrigation system.
- There are delays in disbursements.

Neyba Valley Project (3)

Recommendations

- The executing agency should submit a detailed report on updated budgets for this project, completely justifying the reasons for the change in the budget.
- The projects should be reviewed in detail before financing is approved, so as to avoid last minute changes such as that which happened to Aguacatico.
- An audit is needed to determine the amount that has actually been invested in each canal -- which portion is accountable to the contractor and which to the executing agency.

PROJECT SUMMARY

4-33

<u>Name of Project</u>	Construction of the Headquarters of the Institute of Administrative Training		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	Catholic University Mother and Teacher (UCMM)		
<u>Total Project Cost</u>			RD\$ 5,550,000
<u>Financing</u>	AID	517-K-039	3,000,000
		517-0171	1,000,000
			<u>4,000,000</u>
<u>Other Institutions:</u>	UCMM		1,550,000
<u>Duration of the Project</u>	12 months		
<u>Date Initiated</u>	March 12, 1984		
<u>Date Estimated to End</u>	August 29, 1985		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	None planned	30 scholarships per year, 8-10 courses per year.
<u>Overall Project Purpose</u>		
To improve the academic level in public administration at the post-graduate and top management levels.	None planned	None measured
<u>Specific Objectives/Activities</u>		
-Construction of the building.	100%	100%
-Equipping the building.	100%	83%
<u>Resources Planned and Spent (USAID)</u>		
	4,000,000	4,000,000
-Payments made to contractors for building construction.	4,000,000	4,000,000

Construction of the Headquarters of the Institute of Administrative Training (2)

General Comments

The project consists of the construction of a building and its equipping for library, offices, conference rooms, a system of simultaneous translation, a room for professors, an audio-visual workshop, a projection room, a cafeteria, and 4 bathrooms.

The building is 100% completed and its equipping is in the process of completion.

The installations, classrooms, and equipment place the university among the very few with this high quality installation.

Positive Aspects

- The specific objectives of the project have been completed with respect to construction without problems.
- The building is already providing service to public administration staff.

Deficiencies

The level of scholarships is not high enough to allow the institution to utilize its capacity fully. Only 30 - 65 scholarships are being provided per year.

Recommendations

To promote and provide incentive for the participation of public civil servants in the scholarship program offered by the university.

PROJECT SUMMARY

4-34

<u>Name of Project</u>	Southern Housing Program Integrated to the World Food Program (P.M.A.)		
<u>Location</u>	Provinces of Azua, San Juan de la Maguana, and Elias Pina		
<u>Executing Institution</u>	National Institute of Housing (INVI)		
<u>Total Project Cost</u>			RDS 1,693,568
<u>Financing</u>	AID	PL480-I/85	600,000
		Previously	900,000
	Other Institutions: Government of the Dominican Republic		193,568
		Total -	1,693,568
<u>Duration of the Project</u>	1 year		
<u>Date Initiated</u>	August 31, 1985		
<u>Date Estimated to End</u>	February 1987		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	3,000 families	Not measured
<u>Overall Project Purpose</u> To improve rural housing through a community participation model that is capable of being replicated broadly throughout the world population.	Not specified	Not measured
<u>Specific Objectives/Activities</u> To improve housing	Not specified	Not measured

Resources Planned and Spent

-Planned target to date	600,000	<u>498,462 (83%)</u>
-Expenditures have been as follows:		
Personal salaries & bonuses for staff		134,109
Office expenses		21,622
Construction expenses		<u>342,731</u>
		498,462

Southern Housing Program Integrated to the World Food Program (2)

General Comments

The project consists of the improvement of rural homes in those zones exposed to cyclone danger. The improvements are made to the floors, the walls, and the roofs. The beneficiaries can use one, two, or all three components. The program provides materials and skilled labor with beneficiaries contributing their own unskilled labor. The beneficiary pays for his investment through credit for the improvements he undertakes in accordance with his economic capacity, and in no case is he permitted to take out a loan that is higher than RD\$ 1,200. The recuperation of the loans will be used to improve other homes in the same communities.

This program was initiated in 1983 and has disbursed to date RD\$ 900,000. The current project is being carried out as a reprogramming based on the USAID contribution provided August 31, 1985.

Positive Aspects

- The project has a beneficial social impact.
- There is massive community participation once organized.
- In the communities visited in Las Ceiba (27 buildings and a school) and barro (46 houses and a communal meeting place), the beneficiaries demonstrated considerable satisfaction with the project.
- The project submits trimestral reports.
- Every time a project is completed, it is evaluated.

Deficiencies

- The project is delayed.
- There is no updated information on project objectives.
- Difficulty in administrative red tape for the provision of logistical support. Purchases for very small quantities require going through as complicated a procedure as large purchases.
- The expansion of the project is limited by a lack of vehicles.

Recommendations

- It will be necessary to update information about beneficiaries on this project based on monthly reports from the field offices.
- It will be necessary to improve the materials procurement system so that small purchases do not have to go through the lengthy bid process required of large materials purchases.

P R O J E C T S U M M A R Y

4-36

<u>Name of Project</u>	Exploration and Evaluation of Mining in Selected Areas		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	ONU/DGN, National Secretariat of Mining in the United Nations		
<u>Total Project Cost</u>			RD\$ 400,044
<u>Financing</u>	AID	PL480 - 1984	78,000
<u>Duration of the Project</u>	1 year		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose

The extension of the contract of engineer Munizaga to improve the laboratory of mines with regard to new services of analysis of gold, metals, and precious stones.

Specific Objectives/Activities

-To install a laboratory for the analysis of gold by flame.	1	1
-Creation of a methodology for the determination of calceous rock.	1	1
-System for determining industrial minerals.	1	1

Resources Planned and Spent

-Salary of engineer Munizaga	78,000	78,000
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General Comments

The project is completed without recommendations. The consultant did an excellent job in the opinion of his Dominican colleagues.

PROJECT SUMMARY

4-37

<u>Name of Project</u>	Technical Assistance In Setting Up The Laboratory For Bramatology		
<u>Location</u>	Santo Domingo		
<u>Executing Institution</u>	CESDA, San Cristobal		
<u>Total Project Cost</u>			RD\$ 90,000
<u>Financing</u>	USAID	PL480 - 1985	90,000
<u>Duration of the Project</u>	6 months		
<u>Date Initiated</u>	April 1986		
<u>Date Estimated to End</u>	September 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured

Overall Project Purpose
To improve the laboratory for the control of exported meat, upgrading its personnel, training, equipment, and general procedures.

<u>Specific Objectives/Activities</u>		
-To establish a laboratory based on international norms.	Not specified	Not measured
-To establish quality controls.	Not specified	Not measured
-To plan and install new equipment and materials.	Not specified	Not measured
-To train personnel and upgrade the procedures manual.	Not specified	Not measured

<u>Resources Planned and Spent</u>		
-Salary of engineer Munizaga	RD\$ 54,000	No expenditures have been made yet.
-Materials and transportation	36,000	
	<u>90,000</u>	

PROJECT SUMMARY

4-38

<u>Name of Project</u>	Consolidation of the Institutional Structure of the Cooperative Movement		
<u>Location</u>	National Level		
<u>Executing Institution</u>	Dominican Confederation of Cooperatives (CODOCOOP)		
<u>Total Project Cost</u>			RD\$ 2,200,000
<u>Financing</u>	AID	PL480 - 1984	1,200,000
		PL480 - 1985	1,000,000
			<u>2,200,000</u>
<u>Duration of the Project</u>	3 years		
<u>Date Initiated</u>	April 1984		
<u>Date Estimated to End</u>	April 1987		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	None specified	None measured
<u>Overall Project Purpose</u>		
To fortify and consolidate cooperatives affiliated with CODOCOOP.		
<u>Specific Objectives/Activities</u>		
-To promote the creation or strengthening of agricultural enterprises which generate agri-industrial production.	122 cooperatives	15 cooperatives and 23 courses
-The creation of new jobs.	300 new jobs	None measured
-To generate cooperative savings	US\$ 2.5 millions	None measured

Resources Planned and Spent

-Disbursements	304,000	
-Total spent to date		<u>302,859 (100%)</u>
Details of expenditures:		
Salaries & benefits		148,171
Courses & training		35,703
Technical assistance		90,000
Others		28,985
		<u>302,859</u>

Consolidation of the Institutional Structure of the Cooperative Movement (2)

General Comments

CODOCOOP has assisted 14 cooperatives: 3 of savings and loan, 1 of production and work, 5 agricultural cooperatives, 4 multiple services, and 1 consumer cooperative. The consultant visited the multiple services cooperative Amor y Paz, Cotua. There it was possible to confirm that the work of the CODOCOOP accountant had been very effective.

Positive Aspects

The project deserves a score of 10, justified by its excellent system of internal information, record keeping, accounting, which is completely up to date, and also by its training courses and the technical assistance provided to member cooperatives. CODOCOOP has a separate bank account for funds provided by AID. Administratively this project needs very little supervision.

Deficiencies

CODOCOOP has not sent trimestral reports to the coordinating unit. Although it has results for specific activities, like new jobs generated, annual savings, etc., these have not been measured to date. It appears that in relation to its initially specified targets, CODOCOOP is far behind in its performance.

Recommendations

- Insist that CODOCOOP sent trimestral reports to the coordinating unit.
- Investigate the causes for the delays in disbursements to CODOCOOP.
- To expedite the disbursement of pending funds to CODOCOOP so that it does not violate its own internal financial program by borrowing from its own resources.

PROJECT SUMMARY

4-39

<u>Name of Project</u>	Center for the Creation and Design of Dominican Development Projects		
<u>Location</u>	Villa Altigracia, Sabana Grande de Boya, Sureste Valdesia		
<u>Executing Institution</u>	Women Applied To Industry (MAI)		
<u>Total Project Cost</u>			RD\$ 316,790
<u>Financing</u>	AID	517-K-0171 (loan)	210,000
		(donation)	30,000
		Total subject to financial evaluation -	<u>240,000</u>
<u>Duration of the Project</u>	4 years		
<u>Date Initiated</u>	April 30, 1986		
<u>Date Estimated to End</u>	1990		

G O A L S

<u>Coverage: Beneficiaries</u>	<u>Planned</u>	<u>Achieved</u>
-Women being trained	None	160
-Women incorporated into the productive process		68
-Women working in the production center		41
<u>Overall Project Purpose</u>		
-To diminish unemployment.		
-To train human resources.		
-To improve income distribution.		
-To contribute to the widening of the industrial sector with non-traditional products.		

<u>Specific Objectives/Activities</u>	Not specified	Not measured
-Publication of training manuals.		
-Repair of production centers & installations.		
-Technical improvement & strengthening of MAI development centers.		
-Professionalizing micro-enterprise export activities.		
-Creating original designs.		
-Utilization of local raw materials.		

Resources Planned and Spent

Disbursed as of Feb. 12, 1986: RD\$ 96,000	240,000	
- Spent as follows:		
Technical upgrading of the center		37,000
Manuals		10,000
Personnel		21,450
Raw materials		20,000
Miscellaneous		7,550
		<u>96,000</u> (40%)

Center for the Creation and Design of Dominican Development Projects (2)

General Comments

The work center that is being put together at the industrial park is an excellent facility and will place MAI above all other similar institutions. Its actual director, Ada Valcarce, is a famous national painter who has contributed much to the design, quality control, and distinctive artistic touch of the products.

Positive Aspects

The system of organization of this project gives opportunity for participation of beneficiaries once they have graduated from the program. They convert themselves into associates. The program has a system of scholarships to train women of low income. It keeps a separate bank account, an accounting system which is up to date for 1985 and 1986, and MAI prepares a trimestral report of its activities. The financial inspector of AID has been a great help in the training of MAI personnel.

According to the evaluation impact conducted on July 16 with 28 female beneficiaries, the following benefits were identified: (a) learning to make bricks (18), (b) learning to make cards (14), (c) we can now teach our children (14), (d) we have learned to make lorena stoves(10), (e) learning to make weavings and rugs (8), (f) learning to use colors and dyes (5), (g) it has helped to develop our minds (4), (h) we are becoming independent and we have a right to participate in economic activity (3), (i) we can organize ourselves and work in groups (3), (j) MAI has given us free courses, and (k) the pride of having our own permanent instructors.

Deficiencies

The general ledger has been arranged for the last two years but not for previous years. The coordinating unit has not provided any supervision of the project. MAI needs a catalog for its products to promote sales in foreign markets. The comments of the workshop regarding program deficiencies were: (a) we only have one machine to make blocks, (b) our economic resources are insufficient to run the workshops, (c) our husbands do not cooperate with us and do not see a future for women; they only work in agriculture. The institutional evaluation of the women comments that in spite of a great deal of learning, development has been slow for women participants. They continue to have problems with their husbands, and they expected much more from MAI, and they hope that the institution will continue doing more each day and never diminish its activities.

Center for the Creation and Design of Dominican Development Projects (3)

Recommendations

- MAI needs to quantify its targets in such a way that evaluations of final results can be conducted.
- The pilot project of rural women of Sereno needs to be fortified because after three years of intensive organizational, motivational, and promotional activities, the women are now frustrated because they want to get on to an income-generating project and to finish their workshop.
- MAI needs to obtain two to three additional block making machines to accelerate workshop construction.
- It is urgent that MAI finally fix the situation of its general ledger.
- The visits to the pilot projects should be increased and programmed on a systematic basis, giving the responsibility for follow-up to a particular member of MAI.
- MAI should design and create a catalog for its products to facilitate their sale in foreign markets.

PROJECT SUMMARY

4-40

<u>Name of Project</u>	Financing and Technical Assistance in Small Agri-Industrial and Agricultural Projects to Rural Women	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Dominican Women in Development, Inc. (MUDE)	
<u>Total Project Cost</u>		RD\$ 300,000
<u>Financing</u>	USAID - Loan - 517-0171 Donation	262,500 37,500 <u>300,000</u>
<u>Duration of the Project</u>	3 years	
<u>Date Initiated</u>	February 1986	
<u>Date Estimated to End</u>	February 1989	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Direct & indirect:8,138 30 in technical assistance, 1,300 beneficiaries.	60 organizations in training, 800 women.
<u>Overall Project Purpose</u>		

To achieve the growth & continuing efficiency of supervised credit programs and technical assistance to groups of rural women, who are undertaking agri-industrial projects or crop and livestock projects.

Specific Objectives/Activities

-Training sessions	None planned	20 sessions
-Workshops for management & administration		12 workshops
-Realization of women's projects supported		30 projects

Resources Planned and Spent

First disbursement (April 30, 1986)	31,600	20,865 (66%)
-Personal services		5,834
-Purchase of 2 motorcycles		4,558
-Operating expenses		3,573
-Purchase of 3 additional motorcycles		6,900
		<u>20,865</u>

Financing and Technical Assistance in Small Agri-Industrial and Agricultural Projects to Rural Women (2)

General Comments

MUDE has three programs that are inter-related in practice: training, technical assistance, and project financing. It has a staff of 40 people working in the field on a full-time basis. MUDE does not organize its own groups but works with those existing groups in the communities. For a group to qualify for MUDE assistance, it is subjected to a baseline study of almost three months. MUDE provides trimestral, monthly, and even 15 day reports on activities in the field, using fixed formats. Also there are control instruments for monitorship of field projects and administrative activities.

Positive Aspects

With regard to the information system, both are programmatic in accounting. MUDE is very well organized. It has a bank account to account for AID resources and an adequate accounting system. The impact evaluation workshop conducted with MUDE beneficiaries resulted in the following opinions: (a) Women now have importance, and they are recognized and they are recovering lost time (27), (b) strengthening local organizations (11), (c) MUDE teaches the woman that she has the right to produce (10), (d) MUDE helps rural women and the poorest of the poor(13).

Deficiencies

Of its first disbursement, MUDE has spent everything in expenditures and administrative equipment without considering financing for the projects of its base groups. The project monitoring system is reversed, in that field staff are asked to come in to Santo Domingo to report on their activities rather than having staff go out and observe their performance in the field. MUDE claims to have given secondary emphasis on credit because there is not that high a demand for credit among rural women. In the workshop with women, the participants mentioned: (a) the necessity for more training (16), (b) the lack or scarcity of income-generating projects (19), (c) the fact that women are held down and their progress is very slow (13).

Recommendations

It is necessary to promote the credit component of the project with more vigor, not just with groups but even with individuals. It will be necessary to train the rural delegates' field staff in the promotion and administration of credit. The credit users should be required to keep documents showing the uses and results of the credit they received. It is necessary to provide more emphasis to project follow-up in the field.

Financing and Technical Assistance in Small Agri-Industrial and Agricultural Projects to Rural Women (3)

Another workshop was held with twelve women of the group in Armonia. The benefits mentioned were: (a) Internal administration of the doll making workshop (12), (b) we have obtained a workshop (7), (c) learning in how to make dolls (8), (d) obtaining an arts and crafts diploma(6), (e) have improved relations with other women. The difficulties commented upon by these women were: (a) The necessity of a course for designers (11), (b) there is not a room for raw materials (11), (c) the payment check arrives late (2). Participants have observed that MUDE has given much emphasis to training, has designed new techniques, has been well administered, and has made a sincere effort on the behalf of rural women.

PROJECT SUMMARY

4-41

<u>Name of Project</u>	Integrated Rural Development		
<u>Location</u>	Cibao Central, Noreste y Suroeste (San Juan de la Maguana, Santo Domingo, Moca, Bani, Higüey, Bonao, La Vega, San Cristobal)		
<u>Executing Institution</u>	The Dominican Development Foundation (FDD)		
<u>Total Project Cost</u>			RD\$ 1,002,100
<u>Financing</u>	AID	517-K-0171 (loan)	262,500
		(donation)	37,500
			<u>300,000</u>
<u>Duration of the Project</u>	2 years		
<u>Date Initiated</u>	May 1986		
<u>Date Estimated to End</u>	May 1988		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>		1,208 families (direct), and 7,248 families (indirect)
<u>Overall Project Purpose</u>		
To promote increases in agricultural and livestock production among small farmers and micro-enterprise which do not have access to institutional credit for investing in the production of cereals, pigs, and small industry.	Not specified	Not measured
<u>Specific Objectives/Activities</u>		
-To maintain & increase the level of rural employment	Not specified	Not measured
-To increase rural production		
-To incorporate new areas into production		
-To improve & promote the use of appropriate technology		
-To improve the management and administrative capacity of micro-enterprise		
-To promote the increase of rice production and thus contribute to the reduction of imports of this product		
<u>Resources Planned and Spent</u>		
First disbursement (Feb. 13, 1986) (RD\$ 120,000)	300,000	
Expenditures have been for sub-loans to:		
-Villa Fundacion (marketing)		10,717
-Armonia (marketing)		10,716
-Anacaona Association (rice)		51,815
-Group Union		77,026
		<u>150,274</u>
		(50%)

Integrated Rural Development (2)

General Comments

FDD has twenty years of experience in support of rural development, providing technical assistance and training in management and administration. It has 13 coordinators in field work, working full time (with motorcycles), 3 supervisors (with automobiles), and a network of voluntary promoters. It only provides credit to groups, not individuals.

Positive Aspects

FDD has a separate bank account and accounting system for funds originating from AID. The accounts are up to date. Even though they have not prepared a trimestral report for the coordinating unit, they do present trimestral bulletins and reports on training activities. They have edited a series of instructional pamphlets for administrative and management training (PAGA).

Deficiencies

Because they lack a fixed format, the information from reports by supervisors and field workers are difficult to use. FDD has not made a sufficient effort to quantify its targets, particularly in its planning documents. Neither does it attempt to program its expenditures. The income coming into the institution is spent immediately on the highest priority items, and often the highest priorities involve payments to farmers. The credit users of FDD do not keep records on the uses and costs of their projects. Supervision of the project by the coordinating unit has been practically nil.

Impact Evaluation Workshop

On July 17, an evaluation workshop was held with twelve beneficiaries of the project. The comments of benefits were: (a) The cost of the loan is lower than other institutions (14), (b) we have more working capital (3), (c) we earn more with which to feed our children (3), (d) we have better harvests and economic benefits (2), (e) we no longer have to go to commercial banks (2), (f) we have made progress (2). The difficulties or deficiencies commented on by the participants were: (a) The money does not reach us as timely as we would like to see it, (b) a few of the members do not pay their loan on time, (c) some members have two loans, one from the FDD and one from the bank, and (d) the top staff of FDD rarely make their appearance in the field. The participants did comment however that FDD has made a very serious effort to reach the poorest of the poor.

PROJECT SUMMARY

4-42

<u>Name of Project</u>	Biannual Plan (1984-1985) For Information, Services, and Institutional Training		
<u>Location</u>	National District (but with projection to working with institutions nation-wide)		
<u>Executing Institution</u>	Dominican Center for Private Voluntary Organizations (CEDOIS)		
<u>Total Project Cost</u>			RD\$ 300,000
<u>Financing</u>	AID	517-K-0171 (donation)	135,000
	Other sources		165,000
			<u>300,000</u>
<u>Duration of the Project</u>	2 years		
<u>Date Initiated</u>	May 1986		
<u>Date Estimated to End</u>	May 1988		

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	37 private voluntary organizations throughout the country
<u>Overall Project Purpose</u>		
To represent, promote, defend the third national sector, that is the voluntary sector; to build communication among its members and to achieve more coordinated development.		

Specific Objectives/Activities

To establish a center of documentation	June 1986	Not measured
Courses, workshops, & seminars	(7) (2) (3)	Not measured

Resources Planned and Spent

Disbursements received (none have arrived yet)		
Services for information & coordination	50,000	7,093
Personnel services	84,500	8,000
	<u>135,000</u>	<u>15,093</u>
		(11%)

Biannual Plan (1984 - 1985) For Information, Services, and Institutional Training (2)

General Comments

CEDOIS has 37 member institutions which are active. It has 3 full time staff, which is very little for the proposed functions that they conduct. CEDOIS has a computer program for financial, programmatic, and administrative control. The planning is also done by computer. They are in an expansion stage and hope to reach 160 member institutions, increasing their staff to 6 persons.

Positive Aspects

The budget controls by activity are very well designed and executed. The membership payments reach 18% of the total expenditures, and also an equal amount is provided by payments for training, so that the institution now has reached 36% self-financing. The executive director of CEDOIS is very active.

Deficiencies

The coordinating unit has not received a trimestral report yet from CEDOIS. CEDOIS has not established explicit targets for performance compliance with its objectives. It has given a number of educational activities, for example, but it has not established targets for the results of these activities. Because it has not yet received its first disbursement of AID funds, the first RD\$ 15,093 of expenditures under this project have come from other sources and must be returned.

Recommendations

It is recommended that a follow-up visit on the part of the coordinating unit be conducted of CEDOIS every three months. It is necessary that the coordinating unit give more support to CEDOIS in procuring timely disbursement of AID funds. The first disbursement under this project was solicited and approved in February, 1986, but still has not been received by CEDOIS. (The report is dated July.) An audit of CEDOIS operations should be conducted in the near future to determine what funds have been provided from other sources.

PROJECT SUMMARY

4-43

<u>Name of Project</u>	Fund for Supporting Production in the Frontier Zone, Second Stage		
<u>Location</u>	Frontier with Haiti		
<u>Executing Institution</u>	Foundation for Community Development, Inc. (FUDECO)		
<u>Total Project Cost</u>	RD\$ 300,000		
<u>Financing</u>	AID	517-K-0171	(Loan) 262,500 (Donation) 37,500 <u>300,000</u>
<u>Duration of the Project</u>	1 year		
<u>Date Initiated</u>	April 1986		
<u>Date Estimated to End</u>	March 1987		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	106,000	30,000

Overall Project Purpose

To improve the living conditions of rural residents in the frontier zone of the country.

Specific Objectives/Activities

-To finance 150 farmers who are food producers	10,140 quintals	None measured
-To finance 52 small livestock raisers	840 piglets, 30 sows, & to produce 36,000 liters of milk.	None measured
-To finance plowing for 1,680 tareas of land	7 oxen teams	None measured
-To implement agri-industries	2 industries	None measured
-To train producers	240 producers	None measured

Resources Planned and Spent

-Funds disbursed to date	120,000	
For the following accounts:		
-Crops		28,974
-Pigs		1,556
-Agricultural infrastructure		20,000
-Raw materials		5,000
-Administrative costs		12,900
-Commission on disbursed funds		1,200
		<u>69,630 (58%)</u>

Fund For Supporting Production in the Frontier Zone, Second Stage (2)

General Comments

This project is divided into six departments with 65 full time workers, 46 or 70% of which are working in the field, and 19 or 30% in Santo Domingo. The majority are recently graduated university students or university students who are preparing their graduation thesis.

Positive Aspects

There are many credit requests, and in each credit request the user is required to provide considerable primary baseline data. Besides an investment plan, also required is a loan contract and farm visit reports. The statistics on the project are very much up to date. It has a special bank account to account for funds provided by AID. It has provided trimestral reports. The coordinating has sent a technician to review the financial statements of the project. Project staff conducts meetings regularly in the field with its field personnel, and sometimes jointly with farmers.

Deficiencies

AID has not undertaken a single visit to this project. There has been no measurement of results, although this has very little meaning at the present time because delayed disbursements have totally destroyed the project's programming. In the area of Loma de Cabrera there exists an indebtedness of 30%.

Recommendations

- The follow-up visits to beneficiaries should be calendarized.
- The credit personnel in Loma de Cabrera need to be upgraded in their training with strong insistence on follow-up.
- It is necessary to reprogram planned targets and to implement a system of measuring final results.

PROJECT SUMMARY

4-44

<u>Name of Project</u>	Return To Oxen		
<u>Location</u>	Arroyo Salado, Azua (The Oxen Center)		
<u>Executing Institution</u>	Fundacion San Jose, Inc. (FSJ)		
<u>Total Project Cost</u>			RD\$ 225,000
<u>Financing</u>	AID	517-K-0171 (Loan)	196,875
		(Donation)	28,125
			<u>225,000</u>
<u>Duration of the Project</u>	Not specified		
<u>Date Initiated</u>	May 1986		

GOALS

	<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>	250 families	106 fam. directly 600 fam. indirectly
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<u>Overall Project Purpose</u>	Not specified	
To make the farmers of the region more independent, allowing them to plant and increase production area, and reduce production costs, increasing yields and income, and conserving soils.		

<u>Specific Objectives/Activities</u>		
-To finance common oxen teams	250 oxen teams	72 oxen teams
-To finance the purchase of pigs		34 pigs

<u>Resources Planned and Spent</u>		
-Disbursements to date	RD\$ 90,000	
-Purchase of oxen (72) & pigs (34)		110,450
Financial advance of this project:	total amount disbursed	122%
	total amount programmed	49%

General Comments

The San Jose Foundation is primarily known for its oxen program even though it does get involved with forestry, a mechanics workshop, and the promotion of livestock programs in pigs and rabbits. FSJ uses an individual approach. They do not work with associations, which they consider to be a limitation for financial compliance. The program of Return To Oxen functions in three oxen centers (Sabaneta, Matas y Farfan, and Arroyo Salado. The credit for oxen (an oxen team) is RD\$ 1,240, payable in eight quotas over a period of four years.

Return To Oxen (2)

Positive Aspects

The program is definitely reaching the poorest of the poor. It has a multiplier effect in that every oxen team loan in turn creates an asset that can provide services for six other rural families. To participate in the program, the farmer has to fill out a request providing considerable primary data, and this information is very well organized in the different oxen centers that exist (although not at the central office level). The project has a separate bank account and its own system of accounting. The oxen centers are complying with the objectives of the project, and are providing periodic reports every three months. The evaluation workshop celebrated with 39 project beneficiaries on July 17, and resulted in the following commentaries of benefits: (a) Effective work in the area of oxen (27), (b) by having one's own oxen, it is not necessary to rent them (21), (c) one now has a cow and a half (19), (d) reforestation of the property (17), (e) one has received a farm of 300 rabbits (15), (f) development of the entire community for the well-being of everyone (7), (g) the tree nursery is for personal benefit and for that of the community (4), (h) the hope of having more benefits after the junta has been trained (4), (i) the family now drinks milk (3), (j) the heifer is pregnant (3), and (k) training in the mechanics workshop (2).

Deficiencies

The accounting of this project is not up to date. The project has not yet been audited, nor has it received a visit from the coordinating unit. It has not prepared a trimestral report for the coordinating unit. It does not measure its results systematically. In the evaluation workshop, the following deficiencies were noted: (a) Lack of equipment for plowing and harrowing and no financing for those investments (33), (b) uncertainty as to what FSJ will do if farmers lose their harvest and can't pay their credits (19), (c) in the zone there is not a pure-bred bull for the servicing of the cows that have been distributed (14), (d) there's a scarcity of wire for conserving pastures for bulls and cows (10), (e) technical assistance and credit is needed for crop production (3).

Recommendatons

- To expand credit allowances by RD\$ 150 to allow purchases of plows.
- To expand technical assistance activities and the supply of farm inputs.
- Request that the central office present its trimestral report and put its accounting up to date before receiving a second disbursement.
- To implement a system of farm level record-keeping to document achieved results concerning yields, income, costs, and expansion of area planted.

PROJECT SUMMARY

4-45

<u>Name of Project</u>	Agricultural Development for Rural Youth	
<u>Location</u>	South and southeast regions	
<u>Executing Institution</u>	Dominican Foundation for the Development of Rural Youth (FUNDEJUR)	
<u>Total Project Cost</u>		RD\$ 524,700
<u>Financing</u>	AID	
	Counterpart:	
	517-K-039	500,000
	FUNDEJUR	24,700
		<u>524,700</u>
<u>Duration of the Project</u>	5 years	
<u>Date Initiated</u>	September 1983	
<u>Date Estimated to End</u>	September 1988	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	45,000 young people	437 direct, & 1,300 indirect
<u>Overall Project Purpose</u>		
To incorporate rural youth into the social and economic processes of the country by means of the undertaking of income generating productive projects.		
<u>Specific Objectives/Activities</u>		
-To provide improved technical guidance	10,000 young people	431 young people
-To increase productivity of existing land		
-To increase family income, improving its food production capacity		

Resources Planned and Spent

Disbursements received in 4 payments	500,000	
-Spent as follows:		
Credit		
Equipment	394,665	74,015
Technical staff	10,435	11,169
Training	85,400	154,912
	9,500	9,500
	<u>500,000</u>	<u>249,596</u> (50%)

Agricultural Development for Rural Youth (2)

General Comments

FUNDEJUR experienced an extensive reorganization after two years of its founding, and admits to having had institutional problems in the execution of its planned projects. The central office has three full time staff and three field technicians. It has a bank account and an accounting system to account for funds originating with AID.

Positive Aspects

In the evaluation workshop conducted with 14 beneficiaries of the program in La Ceiba-Villa Tapia, the following benefits were commented: (a) Youth groups that work with FUNDEJUR are more successful (8), (b) promotion of youth's participation in productive work (7), (c) training in technical areas (management of machinery, feeding of pigs) (5), (d) construction of sports installations and promotion of female participation in sports (3), and (e) national and international visitor to the project (3).

Deficiencies

FUNDEJUR does not have its project information systematically organized. The final results have not been measured, nor has specific targets been indicated. The state of the files is deficient. The project follow-up is very limited. The disbursement system is quite uncontrolled, as demonstrated by the fact that FUNDEJUR has received subsequent disbursements without having yet spent the money from previous disbursements. There currently exists a balance to be spent of 50% of the budget, due to FUNDEJUR's failure to meet its investment target for credit. Nonetheless, even though staff has been reduced and very little program activity has been conducted, expenditures for salaries have reached 181% of the original amount to be spent on this item. Supervision by FUNDEJUR is informal and without a chronogram of activities. The credit system lacks definition and structure for purposes of follow-up and administration. In the evaluation workshop, the following deficiencies were mentioned: (a) Lack of funds to develop projects (12), (b) lack of transport for products (7), (c) FUNDEJUR partiality for specific groups (4), (d) lack of sports installations (3), and (e) using some groups to obtain benefits for other groups without the initial group being benefited in any way (2).

Recommendations

FUNDEJUR has many deficiencies and for this reason merits an intensive monthly follow-up on the part of the coordinating unit.

- It requires the reformulation of its credit system with criteria that would guarantee more effective cancellation of loans.
- It is necessary to train field staff in areas of promotion and credit administration.
- Credit users also should be managing control records for their loans.
- The goals of the project have to be reprogrammed and quantified for the coming years.
- The central office of FUNDEJUR should visit field projects in a planned fashion with a specific schedule of visits.

PROJECT SUMMARY

4-46

<u>Name of Project</u>	Conservation and Development of Energy Resources (COENER)	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	COENER	
<u>Total Project Cost</u>		US\$ 23,822,000
<u>Financing AID (counterpart)</u>	517-0171 (disbursed)	RD\$ 4,000,000
	517-0171/1 (assigned)	2,000,000
<u>Duration of the Project</u>	5 years	
<u>Date Initiated</u>	December 4, 1981	
<u>Date Estimated to End</u>	March 1988	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To diminish dependency on imported petroleum on the part of Dominican industry.	Not specified	Not measured

Specific Objectives/Activities

-To provide technical assistance & financing in energy conservation & savings (energy audits).	13 contracts with 44 companies	12 contracts with 49 companies
-To implement a credit fund through the Central Bank.		RD\$1,000,000
-Training of technicians & university students.	3 courses & 1 seminar	13 courses & 3 seminars
-Industries with conservation projects	9	1
-To promote the use of hydraulic fuels	1 project	1 project
-To promote energy farms (the planting of nurseries for firewood trees).	1 project	Not measured

Resources Planned and Spent

-Disbursements received	2,000,000
-Funds approved but not yet received	2,000,000
	<u>4,000,000</u>

Expenditures are as follows:

-Salaries & local support	403,000
-Operation & maintenance of vehicles	21,000
-Training	124,000
-A documentation center	16,000
-FIDE credit	1,000,000
-Construction of hydraulic conservation project	201,000
	<u>1,765,000</u>

Conservation and Development of Energy Resources (2)

Positive Aspects

COENER maintains a separate bank account for funds originating from AID. Its accounting is well organized and up to date. The management of the project is quite professional, above all in activities of industrial conservation which has gone well beyond its original targets with only a fraction of the budget received to date. The institution submits trimestral reports and makes its disbursement requests with plenty of lead time. Technical follow-up by AID has been good.

Deficiencies

Delays in disbursement. The last project disbursement of RD\$ 2,000,000 was requested four months ago on April 8, but still has not been received by the project. They have had to borrow from other sources so as not to abandon some of the biological activities (nurseries). There has been little follow-up on the part of the coordinating unit. COENER does not have a system for measuring final results.

Recommendations

- To initiate intensive follow-up on this project, with a visit of at least every two months on the part of the coordinating unit.
- To promote more agile disbursement of funds to this project, either through a full time staff person devoted to red tape and monitoring, or by the creation of a special revolving fund to loan to projects having liquidity problems.
- Investigate the status of funds borrowed from other sources due to delays in the arrival of AID money.
- To improve reporting of performance achievements, particularly those of the energy farms.
- To offer technical assistance in creating an impact evaluation system to determine real coverage of beneficiaries and the net effect of the project in reducing petroleum consumption of the Dominican Republic.

PROJECT SUMMARY

4-47

<u>Name of Project</u>	Improving Health Systems	
<u>Location</u>	Santo Domingo	
<u>Executing Institution</u>	Secretariat of Public Health and Social Services (SESPAS)	
<u>Total Project Cost</u>		US\$ 11,100,000
<u>Financing</u>	AID (Counterpart)	PL480-I/84 300,000
	Other Institutions:	AID 517-U-030 8,000,000
		GORD 2,100,000
		Communities 1,000,000
<u>Duration of the Project</u>	5 years	
<u>Date Initiated</u>	April 1980	
<u>Date Estimated to End</u>	November 1986	

GOALS

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	500 communities, 160,000 inhabitants	581 communities, 248,000 inhabitants
<u>Overall Project Purpose</u>		
To improve the health conditions of rural communities, providing them with basic health services and health infrastructure for the consumption of potable water and use of latrines. It is expected that infant mortality will be reduced from 95 cases per 1000 to 15 per 1000.	95/1000 15/1000	Not measured Not measured
<u>Specific Objectives/Activities</u>		
-To improve the basic health services network with improvements to clinics, equipment, & enterprise management, and the acquisition of medicines.	100 clinics	90 clinics
-To perforate wells & install pumps	2,600 wells	1,796 wells
-Install latrines	26,000 latrines	14,329 latrines
-To provide 20 gallon water receptables	20,000 units	18,037 units
-To provide 5 gallon water receptables	20,000 units	14,394 units
<u>Resources Planned and Spent</u>		
AID		
-Without specific details	300,000	
-Undisbursed funds from AID loan 517-U-030	8,000,000	8,306,312

Improving Health Systems (2)

General Comments

Some of the service coverage has not achieved its target because the program was interrupted at one point. With regard to the infrastructure program of well perforations, 28% of these wells turned out to be negative. The pumps that were installed originally had quite a number of maintenance problems, usually 5 repair calls for every 2 pumps installed. Due to these problems, AIG contracted technical experts from Georgia Tech, who designed a new pump that is now being installed. Already 800 of these pumps have been built of the 950 that were contracted, and 262 have been installed, of which only 66 have had to be repaired (1 out of every 4 pumps).

Positive Aspects

- To provide water to rural populations, diminishing infant mortality and eliminating the need for residents to go to get their water from rivers, springs, or contaminated ponds.
- The project is improving the services of basic health to the rural population.
- It has created a replicable model of aqueduct construction for rural communities.

Deficiencies

- The program promotion and health education was not as effective as had been originally planned, because targets were not correctly conceived.
- Many of the installed wells are not working because their pumps have been inadequate for rural areas, and their suction capacity is limited (maximum 100 feet).

Recommendations

- To continue the program, providing greater emphasis to the aspect of promotion and health education.
- To provide an alternative which assures water service in those places where installed pumps have proved inadequate. If necessary, inadequate pumps should be changed to avoid leaving in communities pumps which are useless and which are identified with project ineffectiveness, which in turn simply frustrates users.

PROJECT SUMMARY

4-48

<u>Name of Project</u>	PIDAGRO III		
<u>Location</u>	National Level		
<u>Executing Institution</u>	FEDA		
<u>Total Project Cost</u>			US\$ 27,000,000
<u>Financing</u>	AID	PL480 - 1985	RD\$ 1,200,000
<u>Duration of the Project</u>	8 years (extended by 5 years)		
<u>Date Initiated</u>	1978		
<u>Date Estimated to End</u>	December 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	230,000	150,000

Overall Project Purpose

The institutional strengthening of the Secretariat of Agriculture and the general division of taxation. Also to make more dynamic agricultural production by means of nine sub-projects for promoting the development of the agricultural sector in benefit of the poorest farmers.

Specific Objectives/Activities

- To pursue investigations in agricultural technology.
- To reach 160,000 producers with extension services.
- To train 20,400 small and medium agricultural producers.
- To establish a plant quarantine program in ports, airports, & plantations of the nation.
- To reproduce fish and other aquatic species.
- To develop demonstration areas for demonstrating conservation of soil and water resources.
- To produce and market improved seed.
- To diminish livestock mortality in livestock areas.
- To complete an inventory of rural properties throughout the country.

Resources Planned and Spent

Nothing has been approved for disbursement as yet.

General Comments

To date, June 30, 1986, this project is in its final stage with an 85% financial advance since 1978 of the total project budget. The PL480-1985 funds of RD\$ 2,600,000 and the donation funds of RD\$ 1,100,000 will be used as counterpart financing to in turn trigger RD\$ 8,000,000 committed by the Inter-American Development Bank. Requests for disbursement of funds for this project is pending approval by AID.

PROJECT SUMMARY

4-49

<u>Name of Project</u>	The Coordinating Unit for AID-PL480 Resources		
<u>Location</u>	National Level		
<u>Executing Institution</u>	National Planning Office (ONAPLAN), of the Technical Secretariat of the Presidency (STP)		
<u>Total Project Cost</u>	RD\$ 1,497,000		
<u>Financing</u>	AID	PL480 - 1984	700,000
		PL480 - 1985	797,339
<u>Duration of the Project</u>	Indefinite (the funds, however, are programmed for only 2 years.)		
<u>Date Initiated</u>	January 1985		
<u>Date Estimated to End</u>	December 1986		

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified	Not measured
<u>Overall Project Purpose</u>		
To strengthen the Coordinating Unit so that it has the staff and the logistical support to comply with its administrative, follow-up, and evaluation functions under the local resources program AID-PL480.		
<u>Specific Objectives/Activities</u>		
-To increase & guarantee the stability of personnel	21 technicians, 7 support staff	14 technician, 4 support staff
-Vehicles	4 vehicles	4 vehicles
-Per diem	320 days/year	Not measured
-Office & computer equipment	3 personal computers	Has been ordered

Resources Planned and Spent

-Disbursements approved for 1984-5 (3)	700,000	700,000
-Disbursements approved for 1985-6 (1)	243,075	243,000

Detail of expenditures by year follows on next page.

The Coordinating Unit for AID-PL480 Resources (2)

Resources Planned and Spent (continued)

Detail of expenditures by year:	<u>1 9 8 4</u>	<u>1 9 8 5</u>
-Personal services	521,155	538,025
-Non-personal services: per diem, insurance, printing	51,600	51,600
-Materials and supplies	58,500	58,500
-Machinery and equipment	22,000	76,729
-Unforeseen expenses	65,333	72,485
	<u>718,658</u>	<u>797,339</u>
Adjustment	18,658	
	<u>700,000</u>	
Actually spent	700,000	243,000
Financial advance	100%	30%

General Comments

The work of the coordinating unit consists of (1) supervision of importation, unloading and deposit of local currency from the sale of PL480 commodities into the special account of the Central Bank; (2) to program with AID and executing agencies the use of deposited funds; (3) to promote, review, and approve proposals for the use of the funds; (4) to supervise the financial and physical progress of the financed projects, establishing norms for accounting and trimestral reporting; and (5) to evaluate final results of financed projects.

Positive Aspects

The coordinating unit has a technical staff which is quite qualified and dedicated. Although most are relatively new in their jobs, the team is consolidating rapidly, establishing administrative structures, and designing information systems that the program needs.

Deficiencies

For lack of transport, the projects have not received the necessary follow-up visits that they need to assure their success and compliance. Many projects have not established separate bank accounts or accounting controls to document the use of funds originating with AID. Few have sent trimestral reports. There has been much ambiguity in signed agreements, particularly regarding the formats to be used for financial and activities reporting. Due to extremely poor telephone communications into their building, there is almost no direct communication link between the coordinating unit and the projects that it should be supervising. The unit has not made a sufficient effort to hurry up the project disbursements.

Recommendations

The detailed recommendations for improving the work of the coordinating unit have been included in the Consulting Report, Vol. I.

PROJECT SUMMARY

5-01

<u>Name of Project</u>	Trust Fund FAE (Fund for Economic Assistance)		
<u>Location</u>	National Level		
<u>Executing Institution</u>	Agency for International Development (AID)		
<u>Total Project Cost</u>			RDS 30,000,000
<u>Financing</u>	AID	517-K-0171 (Donation)	10,000,000
		Dec. 1984	1,000,000
		May 1985	4,000,000
		Oct. 1986	5,000,000
		Pending disbursement -	20,000,000

G O A L S

Planned

Achieved

Overall Project Purpose

To allow AID to have a fund for financing a series of activities in support of financed projects or complementing them. The fund also covers administrative costs incurred by the mission itself.

Resources Planned and Spent

10,000,000

2,926,000
(29%)

General Comments

Because this is an internal account of the mission, managed by the controller's office, the consultants have not seen the need to analyze it in detail.

P R O J E C T S U M M A R Y

5-02

<u>Name of Project</u>	Trust Fund	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Coordinating Unit for the Local Currency Program,	AID-PL480
<u>Co-Administrating Institution</u>	AID, Office of the Controller	
<u>Total Project Cost</u>		RD\$ 800,000
<u>Financing</u>	AID	
	PL480 - 1984	300,000
	PL480 - 1985	500,000
<u>Duration of the Project</u>	Indefinite, but with yearly budgets.	
<u>Date Initiated</u>	1983	
<u>Date Estimated to End</u>	None	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
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<u>Coverage: Beneficiaries</u>	Not specified	Not measured
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Overall Project Purpose

To create a special fund without specific use to support projects that have problems of liquidity, or for financing technical assistance and other expenditures incurred by the program.

Specific Objectives/Activities

No specific targets have been identified because this fund is to finance contingencies that have not been foreseen.	Not specified
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Resources Planned and Spent

Two disbursements: Nov. '85 & Apr. '86	300,000
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Spent on:

-Contracting & consulting	45,000
-Purchase of a motorcycle	1,992
-Purchase of a truck	81,760
-Other expenditures	34,196
	162,948
	(54%)

Trust Fund (2)

General Comments

The decision to spend resources from the trust fund belongs to the director of the coordinating unit. Nonetheless, accounting control of this fund is in the hands of the controller of AID.

Positive Aspects

The idea behind this fund is important; to have a source of resources for financing unforeseen contingencies. It is worth considering the expansion of the budget for this trust fund to solve problems of liquidity in different projects supported by the local currency program (see Recommendations, Vol. I.)

Deficiencies

The fund is under-utilized by the coordinating unit, and as such, the program budgets will continue to shrink. In 1983, the budget to this trust fund was RD\$ 400,000 and only RD\$ 199,100 were spent. In 1984, RD\$ 300,000 were assigned to the trust fund, and only half of this amount has been spent. Meanwhile, there are projects whose activities are in paralysis for lack of timely disbursement of funds. The trust fund could avoid some of these problems if it functioned as a revolving fund, loaning as an advance against expected disbursements, and recovering these funds as delayed disbursements finally reach the project.

Recommendations

It is recommended that this trust fund be increased from RD\$ 300,000 to RD\$ 10,300,000, assigning RD\$ 10,000,000 to capitalize revolving funds, managed in a private commercial bank account to assure almost immediate funding for any project with an approved disbursement authorization. This fund would be exclusively for loans to projects with problems of liquidity. Collecting the loan, once the project receives its delayed disbursement, and requiring the return of the repayment of the loan would be a prerequisite for any future disbursement requests. We recommend a maximum amount of RD\$ 100,000 of loan, payable in a period of three months, and subject to an interest of 1.5% monthly. With a total capital of RD\$ 10,000,000, this revolving fund would cover 25% of the pending disbursements at the present time (see Narrative Report, Vol. I, p.2).

PROJECT SUMMARY

5-03

<u>Name of Project</u>	Currency Use Payment (CUP)	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Coordinating Unit of AID-PL480	
<u>Total Project Cost</u>	Program for 1984	RD\$ 1,539,000
	Program for 1985	<u>2,900,000</u>
<u>Financing</u>		4,439,000
	Paid by the coordinating unit to AID at the latter's request & equal to 2.5% of total value of imported PL480 products.	
<u>Duration of the Project</u>	Annual, in accordance with the amounts imported by PL480.	

GOALS

Overall Project Purpose

The purpose of this 2.5% ad valorem charge on PL480 imports is to provide a source of local currency for use by the government of the United States. The amount is solicited by AID to the coordinating unit. AID then takes the payment and transfers it to the U.S. Embassy. The funds are sent to the Commodity Credit Corporation (CCC) and it is considered a partial pre-payment of interest for the first year of the loan of PL480 resources to host country. As such, the CUP payment is subsequently subtracted from interest payment the country owes.

<u>Resources Planned and Spent</u>	<u>Planned</u>	<u>Spent</u>
Funds solicited in 1984	692,946	
Payments actually made:		
-June 5, 1985		280,675
-January 24, 1985		<u>62,279</u>
Amount pending payment -	350,592	<u>342,954</u>

Payment of CUP for 1985 has not been requested yet by the U.S. Government.

P R O J E C T S U M M A R Y

5-04

<u>Name of Project</u>	Import Costs		
<u>Location</u>	National Level		
<u>Executing Institution</u>	Coordinating Unit (1985-1986) INESPRE (1984-1985)		
<u>Total Project Cost</u>	RD\$ 27,300,000		
<u>Financing</u>	AID	PL480 - 1984	12,300,000
		PL480 - 1985	15,000,000
			<u>27,300,000</u>

Duration of the Project 12 months, renewable each year with its respective budget, based on an agreement signed between the United States of America and the government of the Dominican Republic for the sale of agricultural products.

G O A L S

<u>Planned</u>	<u>Achieved</u>
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Dominican consumer public & the beneficiaries of the PL480 program

Coverage: Beneficiaries

Overall Project Purpose

To finance the cost of importing agricultural products authorized under the annual agreements of PL480.

Specific Objectives/Activities

1. To cover costs of 1984 agreement: US\$ 48,500,000		
-Sorghum and corn	270,000 metric tons	Non-specified loss.
-Wheat	18,500 metric tons	
-Vegetable oil	3,000 metric tons	
2. To cover costs of 1985 agreement: US\$ 38,000,000		
-Wheat and wheat flour	90,000 metric tons	98%, with less than 2% loss.
-Vegetable oil	16,000 metric tons	
-Rice	22,000 metric tons	

Resources Planned and Spent

1. Budgeted 1984 agreement -	12,300,000	12,558,280 (102%)
Expenditures were as follows:		
-Transportation costs		3,424,460
-Insurance		116,172
-Losses not specified		-
-Other expenses		9,016,648
		<u>12,558,280</u>

(Continued on next page)

Import Costs (2)

<u>Resources Planned and Spent (Continued)</u>	<u>Planned</u>	<u>Spent</u>
2. Budgeted 1985 agreement -	15,000,000	15,882,087 (106%)
Expenditures were as follows:		
-Transportation costs		5,277,855
-Insurance		344,685
-Losses		142,440
-Other expenses		136,813
		<u>5,901,793</u>
-Additional costs for transportation & insurance for a shipment of 90,000 metric tons of wheat		5,594,794
-Banking costs		1,602,135
-A loss of rice*(9,620 quintals)		<u>2,783,365</u>
		<u>15,882,087</u>

* Because of an infection of drogoderm, the quarantine authorities would not allow the rice into the port, so the grain was re-exported to Brazil, but with a difference in price ranging from US\$ 4.24 per quintal to US\$ 14.23 per quintal. The claim for damages by the Dominican government is currently being heard by tribunals in the United States against the transporter and the seller of the grain.

General Comments

This project is currently managed by the department of marketing of the coordinating unit (2 persons) They are responsible for the monitoring of the unloading of products (vegetable oils and rice in the port of Haina, wheat to Dominican mills in Santo Domingo), and its subsequent distribution to commercial buyers. This unit then informs USAID and the U.S. Embassy, agricultural attache, providing them with statistics about quantities received, dates, and FOB values. The purchasers have 90 days to deposit 25% of the value of their purchase, 120 days for their second deposit of 25%, and 180 days to deposit the final pending balance. Expenditures for losses are prorated among buyers. The deposited balance in the special account should be the value of the FOB of the products less their importation costs.

Positive Aspects

Documentation seems to be complete and adequately organized. Since the coordinating unit took over from INESPRC, the quality of the information and detail of expenditures has improved considerably.

Deficiencies

The maximum period for unloading of products and the deposit of money by the buyer-processors into the special account is quite long (180 days) for a country that is so small with minimum problems of transport and distribution to consumers. This grace period constitutes an interest free loan to finance the purchase of the operating capital of the purchasing enterprises.

Import Costs (3)

Deficiencies (Continued)

Since INESPRES no longer manages products, the coordinating unit could have serious problems in finding storage sites for future shipments of grain, especially the rice or the forthcoming commodities agreement of PL480 for 1986.

Recommendations

- Reduce the deadline for deposits to the special account from 180 days to 90 days.
- To charge an interest rate of 1.5% per month of the value of merchandise delivered to buyers.
- To prepare a study and strategic plan for the storage and distribution of rice for the commodities agreement of PL480, 1986.

PROJECT SUMMARY

6-01

<u>Name of Project</u>	Rice Credit	
<u>Location</u>	National Level	
<u>Executing Institution</u>	Fund for Development Investment (FIDE)	
<u>Total Project Cost</u>		RD\$ 39,000,000
<u>Financing</u> AID	PL480 - 1984	RD\$ 3,300,000

<u>Duration of the Project</u>	1 year (funds remain in a permanent revolving fund)
<u>Date Initiated</u>	Agricultural Year, 1985-1986 (September-August)
<u>Date Estimated to End</u>	

G O A L S

	<u>Planned</u>	<u>Achieved</u>
<u>Coverage: Beneficiaries</u>	Not specified 43,750 tareas	Not measured Not measured

Overall Project Purpose
To provide credit by means of intermediary commercial banks for the cultivation of rice and other basic grains of essential interest to the country.

Specific Objectives/Activities

-Commercial banks	8 commercial banks for 404 loans, totaling RD\$ 33,698,040 (56%).
-Agricultural Bank	95 loans, totaling RD\$ 9,273,340 (16%).
-Development banks & financial entities	186 loans, totaling RD\$ 16,762,570 (28%).

Resources Planned and Spent

-Loans in July	300,000	300,000
-Loans in August	600,000	600,000
-Loans in September	2,400,000	2,400,000
	<u>3,300,000</u>	<u>3,300,000</u>

Rice Credit (2)

General Comments

The project is administered by FIDE's sub-division of agricultural projects. FIDE opens lines of credit to participating banks who at 12% annual interest for loans in the Santo Domingo and Santiago areas, and 10% interest for the rest of the country, and 7% for the frontier zone. The margin to the intermediary bank in any event is 5% over unpaid balances. The participating banks place loans to the beneficiaries and then request reimbursement from FIDE. FIDE supervises the intermediary banks by means of inspectors and credit analysts.

Positive Aspects

This credit system is quite agile. FIDE conducts an excellent control of the financial and statistical movement of the loans, both on a monthly and cumulative basis. FIDE prepares detailed annual reports of each loan.

Deficiencies

The initial project is not supported by a single planning document. It seems to have been authorized by telephonic communication under conditions of extreme urgency. Once its total value was determined, the director of FIDE made a disbursement calendar to justify it. Nonetheless, the project has complied with its purpose in a normal fashion. The coordinating unit has not conducted any monitorship of this project, nor required a trimestral report.

Recommendations

-FIDE needs to prepare a trimestral report just like any other institution participating in the program, following a format indicated by the coordinating unit.