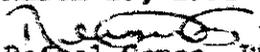


memorandum

DATE: March 15, 1991
REPLY TO: 
ATTN OF: Rafael Genao, PDS/Eng.
SUBJECT: Project Assistance Completion Report, Rural Roads Maint. Rehab. Project No. 517-0130, Loan Agreement No. 517-T-033, Grant Agreement No. 517-0130
TO: Memo to the Files

This Report documents the final status of the subject Project as of the Project Assistance Completion Date (PACD) of September 30, 1984.

I. Project History

Authorization: Pursuant to Section 103 of the Foreign Assistance Act 1961, as amended, the Rural roads Maintenance and Rehabilitation Project (RRMR) was authorized on September 28, 1979.

Original Loan Agreement: The agreement for Rural Roads Maintenance and Rehabilitation Project between A.I.D. and GODR, acting through Secretario de Estado de Obras Públicas y Comunicaciones, (SEOPC) was signed on September 28, 1979. It articulated the purposes of the project, and established the terms of A.I.D.'s loan and the incremental nature of the financing. The agreement obligated an initial loan of \$3,300,000 (US) from A.I.D. to finance foreign exchange costs, local currency costs, and the goods and services required for the project Amendments. An amendment on January 3, 1980 increased A.I.D.'s funding by \$5,700,000. This increase brought A.I.D.'s funding to \$10,000,000.

In addition, the agreement stipulated that the GODR would contribute the equivalent of \$17,300,000.

Grant Agreement: The Grant Agreement between A.I.D. and the GODR acting through SEOPC, signed on June 4, 1984, was for an emergency program of rehabilitation of the rural roads system in certain areas devastated by hurricanes David and Frederick.

The Grant Agreement obligated \$5,000,000 (US) to finance foreign exchange costs, local currency costs and the goods and services required for the project.

In addition, the Grant Agreement stipulated that the GODR would contribute an increased amount of not less than the equivalent of \$17,420,000.

Goal and Purpose:

The goal of the project was to improve the income, productivity and quality of life of the Dominican Republic's rural poor. Quality of life will be enhanced primarily by improving access to government services in health and education. Income will increase as a result of improved marketing opportunities and increased availability and lower cost of agricultural inputs and technical services. Other effects which were anticipated included increased production of higher value crops, more productive utilization of the farm labor force and direct employment in road rehabilitation and maintenance activities

The purpose of the project was to develop the institutional capacity to maintain and rehabilitate rural roads. This institutional capacity was to be developed at three levels:

- a. At the national level a fully staffed office would be established within the General Directorate of Rural Roads (GDRR) responsible exclusively for rural road maintenance and rehabilitation operations, planning, program development and selected research activities.
- b. At the regional level seven regional offices and seven sub-regional facilities would be established or upgraded. They will assure an adequate organizational structure for support and supervision of local road maintenance and rehabilitation efforts.
- c. At the local level community participation would be institutionalized with a view to developing effective cooperation with DGCV and a long-term capability to maintain and rehabilitate rural roads.

The development of institutional capacity would be carried out with the objective of establishing a new attitude and orientation toward the rural road system. Within the GODR, the GDRR would be reoriented from a construction and reconstruction policy to a rehabilitation and maintenance policy pursued on a stable, slowly growing rural road network. This policy would be reinforced by budgetary commitment and administrative and organizational structure.

At the local level an essentially passive, dependent community approach to road service would be reoriented toward active community involvement and responsibility for the state of local roads.

In working toward this objective, considerable road maintenance and rehabilitation work would be carried out. Current estimates of precise amounts of road work were considered secondary to accomplishing the organizational, budgetary, administrative and attitudinal changes associated with a shift to dominant concern with systematic road maintenance as a stable long term policy.

II. Project Inputs:

RRMR comprised 8 major inputs which are described below:

- o Road Rehabilitation - This element greatly expanded since hurricanes David and Frederick devastated a portion of the country during the final design phases of the project. US\$5.0 million grant was added for rehabilitation of some destroyed rural roads. 1200 Kms of rural roads were rehabilitated.
- o Equipment and Tools Purchased - More than \$5 million were obligated to purchase road rehabilitation and maintenance equipment and tools.
- o Seven sets of shop equipment for 7 regional centers - equipment and tools for 7 regional centers and repair shops at a cost of about US\$950,000.
- o Technical Assistance and Training to the DGCV staff at the national and regional level; local community managers and equipment operation; maintenance mechanics; and shopman.
- o Rural Road maintenance labor expenses.
- o Administrative costs.
- o Rural Roads inventory.
- o Equipment and hand tool replacement.

III. Counterpart Contribution

The counterpart contribution of the GODR was budgeted at the equivalent of \$17,420,000 (US) for financing of different items under the loan agreement as: Road Rehabilitation; Technical Assistance and Training; Rural Road Maintenance, administrative costs, Rural Road inventory and equipment and hand tool replacement.

Through 1983 the GODR contributed approximately \$10.0 million to RRMR. The balance of the funds were committed to the RRMR II project. These funds were allocated primarily for road maintenance activities.

IV. Project Accomplishments:

SEOPC/GDRR in Santo Domingo built a warehouse and offices for the administrative unit. This was a fully staffed office responsible exclusively for rural roads maintenance and rehabilitation operations. All the necessary equipment for the project was also purchased

- a. A separate, functioning rural road maintenance department at the national level with approximately 35 administrative and technical employees;

b. A unit within DGCV to carry out planning activities and studies including: appropriate road maintenance technologies; design standards; methods of community participation; design of work for optimal utilization of available labor in relation to equipment; training methods for supervisors and work force; acquisition, storage and movement of equipment and materials; and organizational relationships between the various levels of the roads maintenance system.

c. 112 DGCV employees trained in administration, road maintenance, equipment operation and maintenance, management and other relevant skills.

d. Seven regional offices with 105 trained staff employees (administrators, engineers, mechanics, supervisors, etc.) capable of managing local rural roads maintenance and rehabilitation in their areas.

e. 700 "Obreros Camineros" trained and hired to do daily routine maintenance on an assigned road section.

f. A permanent training capability established at the national, regional and local levels.

g. 1,200 kilometers of rural roads rehabilitated.

h. 1,200 kilometers of rural roads under the maintenance program.

i. An inventory of 12,000 kms. rural roads including detailed information on road conditions and requirements for rural network planning.

V. Progress Towards Achievement of Project Purpose:

The purpose of the project RRMR as originally articulated, was to develop the institutional capacity to maintain and rehabilitate rural roads. This institutional capacity was developed at three levels: at the national level with fully staffed office; at the regional level with seven regional offices and seven sub-regional facilities staffed and equipped; and at the local level with community participation and personnel trained to develop effective cooperation with GDRR and a long-term capability to maintain rural roads.

VI. Lessons Learned:

One of the most important lessons learned was that the GODR needs a permanent civil service. A civil service system would make it easier to retain trained personnel. The GODR historically has had difficulty in the maintenance of its rural roads. One of the reasons for this is the lack of a trained civil service.

It is imperative that the GODR continue monitoring the project recognizing that it is better and less costly to maintain than to reconstruct.

²⁻⁶
Drafted by: RGenao:PDS/ENG:1505F:cc:3/15/91

Clearance

PDS:P Amato : PA date 3/16/91
PRG:T Cornell: TC date 3/25/91
CON:K LeBlanc: KL date 4/5/91
TDY:D. Robertson: DR date 3/23/91