PD-ABC-667
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# Project Activity Completion Report

for

ONAPLAN Trust Fund Local Currency Project

AID Project Number:

999-0001

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**Project:** Local Currency Trust Fund for the Oficina National de Planificacion (ONAPLAN)

**Date of Authorization:** October 25, 1983

**AID Project Number:** 999-0001 (Code 5.02)

Brief Project History

Authorization: Public Law (PL) 480, Title I.

Goal and Purpose: The goal of the project was to assist the Dominican Republic in efforts to stabilize its economy. AID and the Government of the Dominican Republic (GODR) created a trust fund of local currency to be used for the Oficina National de Planificacion's (ONAPLAN) administrative and operating costs.

The purposes of the trust fund were to:

- strengthen the GODR's (particularly ONAPLAN's) ability to design, execute, supervise and evaluate projects financed by international agencies and foreign governments, and
- enable the US Government/AID to provide complementary inputs in support of its own programs and activities.

Agreement: On October 25, 1983, Operational Letter Number One established the ONAPLAN Trust Fund with an initial contribution from the GODR of $50,000 (RD) paid to the USAID Controller. The Trust Fund authorized the GODR/ONAPLAN to contract for services and commodities (such as office equipment) to assist in implementing ongoing loan and grant programs and proposed programs, and to strengthen staff resources related to these projects and programs.

The Letter emphasized that under no circumstances would AID incur financial obligations beyond what was available in the Trust Fund. Moreover, it required the AID Controller and the counterpart office in TSP to establish a mechanism for replenishing the Trust Fund.

The Letter also established the operational procedures to be followed by AID and the GODR:

1 - The Technical Secretary of the Presidency (TSP) would notify the AID Controller of any intention to enter into financial commitments, and the purpose and amount of each commitment. The AID Controller would approve all contracts before signature.

2 - TSP would send the AID Controller a copy of each contract or purchase order to obligate the necessary funds.

3 - When payments fell due, TSP would request processing by the AID Controller, and each request would include an invoice and a certification that the contracted services had been satisfactorily received.

Amendments: There were no amendments, per se, to the original agreement, but subsequent annual PL-480, Title I agreements increased funding as follows:

- the 1983 Agreement added $250,000 (RD), bringing the 1983 total to $300,000;
- the 1984 Agreement added $300,000 (RD); and
- the 1985 Agreement added $500,000 (RD).

Life of Project Amount: All amounts are in Dominican pesos. The unliquidated amount is available for return to the GODR.

Total Received for Trust Fund: $1,100,000
Total Disbursed: $360,372.06
Total Unliquidated: $739,627.94

Project Inputs

All amounts are in Dominican pesos.

- **Consultant Study**
  Obligated: $348,814
  Disbursed: $348,814

- **English Training for Staff Member**
  Obligated: $10,468
  Disbursed: $10,468

Project Accomplishments

The project achieved its nominal goal of assisting the Dominican Republic in its efforts to stabilize its economy by creating ONAPLAN's Trust Fund of local currency for administrative and operating costs. The project enabled ONAPLAN to procure computer equipment and software, and to send a staff member to English language training.

## Progress Towards Achievement of Project Purpose

The project made only partial progress toward achieving its purposes. On the one hand, the Trust Fund enabled AID to provide input and review of ONAPLAN's contracts in support of AID's own programs and activities. In doing so, however, the project does not appear to have strengthened in any way ONAPLAN's ability to design, execute, supervise and evaluate projects financed by international agencies and foreign governments -- which was its main purpose.

## Summary of Lessons Learned

The most obvious lesson is imparted by the nature of the project itself. In the absence of reliable institutions and procedures for procuring technical equipment and services, an office of the GODR asked USAID to establish the ONAPLAN Trust Fund. That the project was only partially successful in fulfilling its purposes underscores the dilemma faced by AID as it attempts to support institutional development. AID's Latin America and Caribbean Bureau has issued guidance warning that program trust funds -- such as this one -- place an added management burden on the AID Mission and in fact weaken AID's objective of strengthening host country institutions.