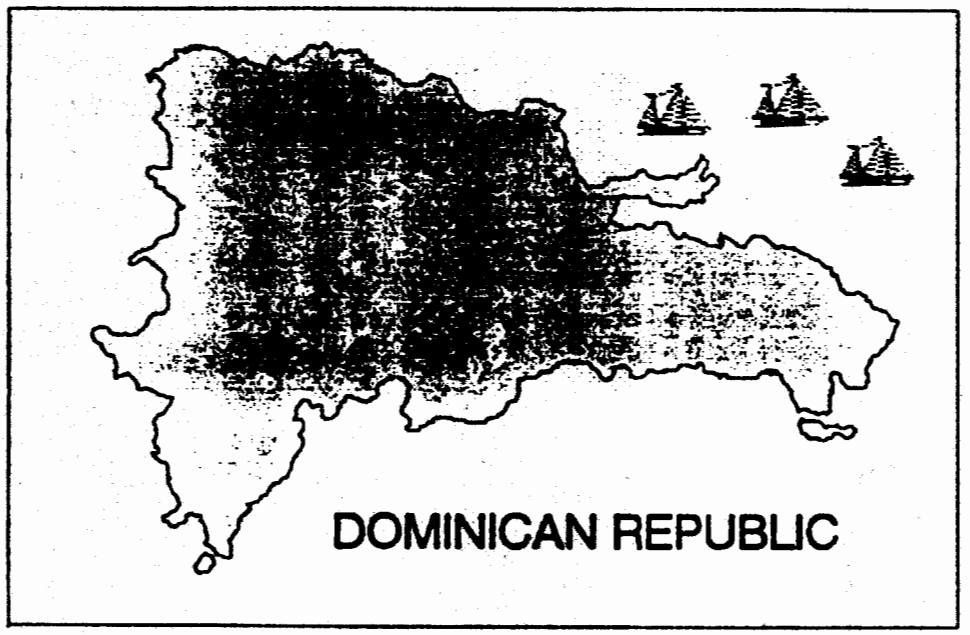
PD-ABE-028

DOMINICAN REPUBLIC

ACTION PLAN

FY1993 - FY1994



USAID/DR

JUNE 1992

BEST AVAILABLE

May 20, 1992

MEMORANDUM

TO: See Distribution (attached)

FROM: LAC/DR, Peter Bloom

SUBJECT: Review of Dominican Republic Action Plan for FY 1993-1994

Attached for your review and comment is the Dominican Republic Action Plan for FY 1993-1994. Additional copies may be obtained from LAC/DR/PSS, Room 2252 NS, if needed.

Please provide all Action Plan issues to Jeffory Boyer, LAC/DR/C, Room 2252, Extension 7-5648, in writing no later than COB May 28, 1992. A preliminary issues paper will be distributed on June 4, 1992.

The Dominican Republic Action Plan Review, chaired by AA/LAC, James Michel, will be on Tuesday, June 16, 1992, at 2:00 p.m. The Action Plan issues and NPD Review meeting, chaired by Peter Bloom, will be Tuesday, June 9, 1992 at 10:30 a.m. If required, the NPD review will be extended to Wednesday, June 10, 1992 at 2:00 p.m. All meetings will be held in Room 2248 NS.

Issues Due	Thursday,	May 28	C.O.B.
AP Issues/NPD Review Mtg	Tuesday,	June 9	10:30 a.m.
Action Plan	Tuesday,	June 16	2:00 p.m.

LAC/DR/C:05/19/92:DOMREPAP.JB/7-5649/VGM

USAID/DOMINICAN REPUBLIC
FY 1993-1994 ACTION PLAN

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SECTION I. STATUS OF STRATEGIC OBJECTIVES

A. REFINEMENTS IN STRATEGIC OBJECTIVES/PERFORMANCE INDICATORS

This Action Plan is fully consistent with the Country Development Strategy Statement (CDSS) for the Dominican Republic prepared by the Mission in early 1991 and approved by the LAC Bureau in May of that year. The CDSS states that:

> The Dominican Republic is almost two countries in one. The country has considerable potential for sustained economic growth in a stable, free democratic environment. The country also has a long track record of adhering to remnants of an inoperative import-substitution model which undermines its real economic growth potential. It is an electoral democracy with otherwise limited participation in the process of government between elections which threatens its political stability. Both the opportunities and the constraints are real. The decision as to which will prevail lies squarely with Dominican society.

The CDSS goes on to state that:

> As the competing opportunities and constraints play out, it will be essential in Dominican society to focus on the need to reform, rather than circumvent, its long-standing macro-economic policies and its political culture.

The Mission believes that Dominicans have the desire, the talent and the energy to address this challenge. Our program reflects this belief. We have focused our support on Dominican initiatives and priorities for reform, as the Dominican Republic prepares to enter the 21st century.

Whereas the broad approach and the overall goals of our assistance have not changed, the strategic objectives and program outputs have been recast and improved. In January/February 1992, the Mission undertook a guided "Program Performance Assessment System" (PPAS) exercise to review our existing and proposed program and to help us conceptualize and articulate how the various elements of that program interrelate with and support each other. The exercise lead us to: a) reduce the number of strategic objectives from seven to four; and b) sharpen the focus of the remaining elements of our program (Figure 1). The Mission believes that our strategic objectives, as re-stated in this Action Plan, describe and explain our program more accurately and succinctly. We also believe the modifications will result in a manageable assistance program with a clear, measurable impact.

FIGURE 1

USAID/DOMINICAN REPUBLIC
RELATIONSHIP BETWEEN ORIGINAL AND REFINED MISSION OBJECTIVES

ORIGINAL MISSION OBJECTIVES	REFINED MISSION OBJECTIVES
1. Promote sustained implementation of a governmental program of economic stabilization and structural reform needed to attract private foreign and domestic investment in key areas of economic opportunity. 2. Promote increased investment and trade by supporting private U.S. and Dominican initiatives.	1. Increased and Diversified External Trade
3. Expand participation in productive, private income-generating activities by segments of the society previously isolated from the economic system. 4. Address critical socio-economic constraints to growth through improved educational opportunities and family health by supporting non-governmental programs in these areas.	2. Increased Socio-Economic participation of the lower-income groups.
5. Reduce legislative, regulatory and institutional impediments to rational management of natural resources by public and private sectors to assure long-term sustainability.	3. Increased availability of Water Needed for Sustained Economic Development.
6. Support Dominican initiatives to facilitate participation and encourage involvement by citizens in the process of government. 7. Promote improved efficiency and impartiality of government institutions.	4. Participatory Democratic Reform.

The Mission program goals, strategic objectives and program outputs (shown as an objective three in Figure 2) are as follows:

Overall Goal:

To enhance the close and cooperative relationship between the Dominican Republic and the United States as envisaged by the Enterprise for the Americas Initiative by supporting Dominican efforts to promote broad-based and sustainable economic growth and to strengthen democratic institutions.

1. Sub-goal: Increased Employment and Income

a. Strategic objective: Increased and Diversified External Trade

This re-statement of the strategy that the Mission will pursue to support economic growth in the Dominican Republic reflects a refinement of our thinking in this critical area, as well as an attempt to improve our ability to measure the impact of our efforts. The focus on external trade draws on the enormous energy and entrepreneurial talent that the Dominicans have displayed in reacting to preferential trade agreements, such as the Generalized System of Preferences, the Caribbean Basin Initiative and the Lome Convention. It also builds on the historically significant levels of trade between the D.R. and the U.S. This mix of Dominican drive and the allure and strength of U.S. markets has produced many of the Mission's success stories, such as the development of the free trade zones. The challenge for the remaining years of this century will be to help the Dominican Republic to redirect its energy and talent to a new world in which the emphasis is on free trade, where imports and exports are of equal concern.

The Mission will pursue three major avenues in support of this strategic objective, focusing on program outputs related to:

- market oriented economic policy and regulatory reforms
- export production by Dominican firms, and
- reliable, competitively-priced electrical energy.

The sustained implementation of sound economic policies and related implementing laws and regulations is a necessary condition to achieve expanded and diversified external trade. International trade and foreign investment simply will not grow at a fast enough pace to generate increased employment and income if the Dominican Republic does not have stable and predictable economic rules of the game

USAID/Dominican Republic
Mission Program Objective Tree

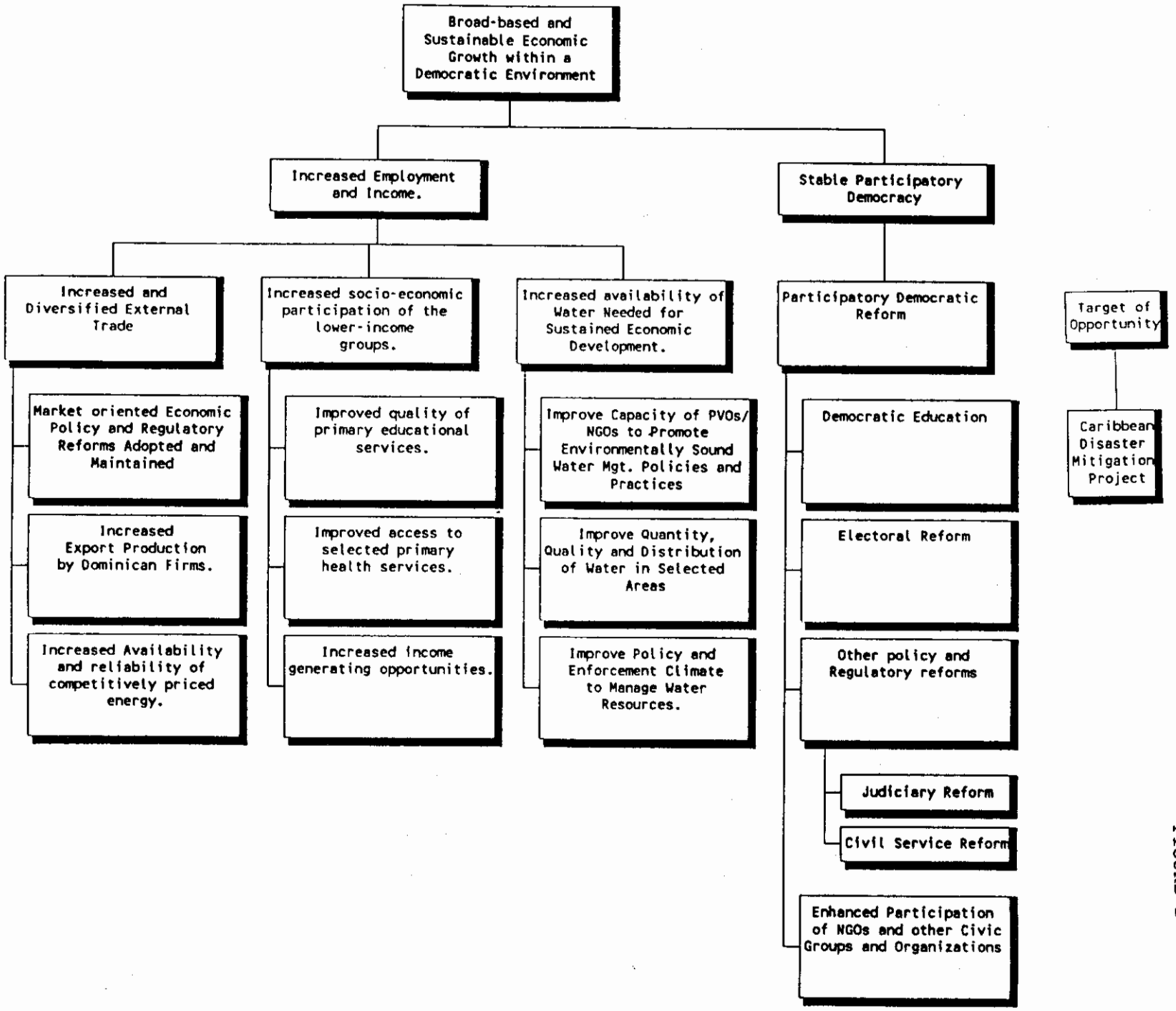


FIGURE 2

and a fair and transparent legal, regulatory and judicial environment for business and commerce. The Mission will authorize major new activities in FY 92 and 93 to support the many persons and organizations in Dominican society who share this view. This is also a continuing theme of the Mission's policy dialogue with the GODR and with donors.

As to the second program output, the Mission already is engaged in activities to help increase the export production capability of Dominican firms. Aside from its obvious, direct impact on jobs and income, this activity is vital because it goes at the heart of Dominican fears that a free trade regime will destroy domestic industry. The third program output focused on increased availability, and reliability of competitively priced energy will continue Mission efforts, largely through donor coordination, to expand the role of the private sector in addressing this unique and critical impediment to the long-run competitive position of the Dominican Republic.

b. Strategic objective: Increased Socio-economic Participation of Lower Income Groups

This recast strategic objective is the outcome of an agonizing, introspective review within the Mission to find the common ground between our desire to address the special problems of the poor and the disadvantaged while staying within the bounds of what is feasible as we face diminishing staff and operating expenses. In the end, we decided that the most sensible course of action, and the one most likely to produce measurable results, was to follow the lead of our Dominican counterparts. We resolved the issue by focusing our activities solely in three areas where there are strong, ongoing Dominican initiatives to raise the educational and health status of lower income groups and to improve their incomes:

- primary education
- selected primary health services
- micro-enterprise development

The focus on primary education and on micro-enterprise programs is already built into the Mission's program. In the area of health, however, the new strategic objective will lead to a narrowing of focus. Faced with a public health system in virtual collapse and with a balkanized private health sector, we cannot afford to address all three priority health areas -- family planning, AIDS, and child survival -- with equal emphasis.

During the Action Plan period the Mission will initiate a key change in emphasis in the health sector. The Mission will no longer engage in three areas of health with equal

emphasis, but will focus primarily on family planning. The new health project will provide support to private sector Dominican family planning programs and to the nascent national dialogue to establish national health priorities. Child survival and AIDS prevention activities will be included in the project, but will be conducted within the context of the provision of family planning and health services. (This approach could lead to a problem with earmarks in the Mission's budget, an issue discussed in Section V). Child survival and AIDS prevention activities will also be funded under the Mission's PVO Co-Financing project. The Mission is currently modifying the selection criteria for that project to include such child survival and AIDS prevention activities.

The reduction in emphasis in AIDS prevention activities is due primarily to the Mission's need to focus its programmatic activities. It is also due in part to the lack of a governmental or independent national organization that can manage a wide range of interventions and agencies. The Government agency now charged with this coordinating role is ineffective and has seriously damaged what was formerly an exemplary government-run AIDS prevention portfolio. The role of indigenous AIDS-prevention PVOs has grown and matured, and support to their activities can be provided through the PVO Co-Financing project with a minimum of management burden to the Mission. The focus noted above requires that those activities deemed to be less effective than others be trimmed back in an effort to lighten the Mission's overall management burden. It also reflects Agency health policy, which is to focus on the reduction of sexual transmission of HIV, with WHO and PAHO focusing on blood-related transmission of HIV and epidemiological activities that here are managed by PROCETS, the ministry of Health office charged with AIDS prevention.

A new NGO has been formed which may in the future become a national coordination entity for AIDS activities, to be supported by the Government, but they have no track record and have yet to establish offices. We are, however, collaborating with the European Economic Community to encourage them to provide assistance to this new group.

Strategic objective: Increased Availability of Water Needed for Sustained Economic Development

This is a new construction of the Mission's natural resource management strategic objectives which narrows the focus from natural resources in general, to those key natural resource degradation problems which constrain the continued availability of an adequate water supply to sustain economic development. The decision to concentrate on water was prompted by an excellent study financed by the Mission which argued compellingly that issues of water quality and quantity are the most crucial of all the natural resource constraints which the Dominican Republic is confronting.

The recent study, Intensive Survey of Rural and Urban Activities Impacting Water and Coastal Resources, concludes that both now, and in the year 2000, the total supply of surface and groundwater is adequate to meet local demand, but it can meet that demand only if water resources are better managed. Contamination of water sources is a serious health hazard. Because of forest and mangrove destruction and poor land-use, rainwater flows too quickly from the land into the sea and is prematurely lost as a useable resource. As a result, farmers lack year-round water for irrigation. Reservoirs for the production of hydro-electrical energy become empty during the dry season. Pollution of coastal zones threatens the tourism industry. Fish and threatened species die for lack of water and rivers are literally disappearing.

As with all its other programs, the Mission will work with and through existing non-governmental organizations to promote the policy and legislative reforms to improve water management in the Dominican Republic. At this time there are several alliances of U.S. and Dominican environmental organizations, which provide a strong base from which to project the new activities beginning in FY 93.

2. Sub-goal: Stable Participatory Democracy:

a. Strategic objective: Participatory Democratic Reform

This new, single strategic objective for the Mission's efforts to help strengthen democracy in the Dominican Republic reflects the experience gained after one year designing and implementing democratic initiatives activities. The Mission has determined that its manageable interests in this critical area are to help strengthen and expand citizen participation and involvement in promoting democratic reforms. Early in the process, the Mission decided that there would be few good opportunities to work directly with the public sector to improve the efficiency and impartiality of governmental institutions. The lack of a competent, professional civil service cast serious doubts on the feasibility of promoting lasting changes through the public sector.

Instead, the Mission decided to rely upon the highly developed and experienced group of Dominican non-governmental organizations with an active interest in political reforms. These organizations would set priorities and carry out all activities. The assistance provided by the Mission would help them produce studies and analyses to enrich the public debate on such issues as electoral and judicial reform, with the expectation that these discussions would lead to lasting reforms with broad popular support. While the Mission might fund some small activities directly with the GODR on an ad hoc basis, the focal point of the democratic activities is the extensive base of civic, non-profit organizations whose very existence ratifies the practice of citizen participation in government.

B. PROGRAM PERFORMANCE NARRATIVE

This section describes the actual progress made over the last year in meeting the targets and indicators established by the Mission in March of 1991 as part of Action Plan for FY 1992-1993 (Table III, pages 15 and 16). The results are also summarized in Annex E of this document. Future Action Plans will report performance based on revised indicators and program outputs developed for each of the four new strategic objectives, as shown in Table 1, Annex D.

1) *Encourage Economic Policies that Promote Trade, Investment, Productive Employment, and Export-Led Economic Diversification.*

The comprehensive economic reform program that the government has been implementing since August of 1990 has thus far produced dramatic positive results. The most important elements of that program - market based interest, deposit and exchange rates, and strict controls on money creation - remain in place. Domestic financing of the public sector deficit has been eliminated. Inflation was slashed from 101% at the end of 1990 to 4% during 1991. Nominal interest rates have declined from over 60% to 20%. The exchange rate remained stable throughout the year. The GODR concluded a standby agreement with the IMF in October 1991, the terms of which require continued adherence to the principal elements of the stabilization program. The agreement commits the GODR to external debt management, privatization, investment law reform, customs reforms, tax reform, and elimination of price controls. Thus far, the government has met all the targets set under the program.

In the area of external debt management, the GODR reached an agreement with members of the Paris Club on overall terms for restructuring official debt, and negotiations are currently underway on a bilateral basis with the country's principal bilateral creditors. Negotiations with commercial bank creditors are expected to begin late this summer, leading to a restructuring agreement of commercial bank debt by the end of the year.

Reflecting the knowledge and technical expertise it has acquired under the Mission's Debt Conversion project, **the Central Bank converted or bought back external debt with a face value of nearly US$173 million**, including $33 million from commercial arrearages, $53 million from Mexican oil debt and $85.3 million from Venezuelan oil debt. The total also includes $1.3 million converted under the University Agribusiness Partnership Project for the endowment fund of the Instituto Superior Agrario (ISA).

To signal the USG's approval of the actions taken by the GODR and to encourage the GODR to continue to adhere to its stabilization program, the Mission has

linked disbursement of FY 92 ESF to continued compliance with the IMF targets. The PAAD for these funds will be signed in the third quarter of FY 92.

The USG and the GODR signed a Framework Agreement on Trade and Investment which will guide and facilitate negotiations leading to the full participation of the Dominican Republic in the Enterprise for the Americas Initiative (EAI). The first talks under the framework agreement are scheduled to take place in the late summer in Washington, D.C.

The Mission's objectives in terms of promoting greater regional cooperation suffered a major setback when the military coup d'etat in Haiti occurred in September 1991. This coup forced the cancellation of a series of Haiti-D.R. seminars and conferences which the Mission had initiated and which were intended to stimulate the dialogue on greater trade cooperation between the two countries. Given the continued confused and uncertain situation in Haiti, the CARICOM states also have been reluctant to discuss greater cooperation with the Dominican Republic.

Revised tariff regulations adopted by the GODR in late 1990 have served to facilitate and simplify trade flows, although traders report that serious problems still exist when dealing with the Customs Service. A major concern continues to be the surcharge on imports (15%), the Foreign Exchange Commission (2%), and other charges which are imposed on imports, and which (depending on the commodities) can double or triple the base tariff rate. A new Foreign Investment Law remains under review with debate still ensuing as to various proposed provisions.

Despite periodic flurries of activity and favorable statements by the GODR, no state-owned enterprises were privatized during the past year. Privatization of at least one, and possibly as many as three, still appears to be distinctly possible. The GODR has recently requested technical assistance needed in the effort.

One of the areas where genuine progress on privatization is now becoming evident is in the electric power sector. Extensive negotiations with the World Bank and the Interamerican Development Bank initiated by the Embassy and the Mission have generated a wide consensus among the donors that privatization should occur sooner rather than later. An important tool in this process was a well-regarded study on privatization of the state-owned Dominican Electricity Corporation financed by the Mission during the past year.

As a result of assistance provided by the Mission over the last two years to help create a legal and regulatory environment for private participation in the energy sector, the initial inputs of hopefully significant future private investment in electric power generation were made during the year. **Private power generation projects with an**

anticipated investment of $40 million were started, and additional projects totalling US$550 million are under active discussion by the GODR and private investors.

2) Encourage Vigorous Private Sector Responsiveness

The Dominican Agribusiness Council (JAD), previously known as the JACC, has been the most successful and aggressive private sector organization in reacting to the changing context and to the new opportunities created by the economic stabilization and structural adjustment programs instituted by the GODR.

The JAD exercised its increasing influence among policy makers and legislators to obtain Congressional and Executive branch approval of tariff and tax code reforms which are key elements of the economic reform package. The process began with two national conferences organized jointly with the Instituto Superior Agrario (ISA) to review the relevance to the Dominican Republic of the lessons learned in the efforts to liberalize agriculture trade between Mexico and the U.S. ISA and JAD are also engaged in an ongoing dialogue with representatives of the four leading political parties to forge a common political platform for the agriculture sector prior to the 1994 elections.

The JAD worked closely with the Mission and the Agriculture Attache to gain approval for a new GODR plant quarantine policy, which facilitated the resumption of PL-480 grain shipments to the Dominican Republic and the expansion of non-traditional agriculture exports. The number of pre-cleared (non-quarantined) containers of healthy exported fresh produce inspected under the Mission-funded JAD/APHIS trade enhancement program (targeted at 2000 containers) reached 2800 containers (over 98,000,000 lbs). The JAD also included a meat inspection laboratory within its new agricultural services facility to help Dominican meat exporters meet and sustain USDA inspection standards.

The annual assembly of the 700 active members of the JAD approved a plan to achieve financial self-sufficiency by year end as part of the institutional strengthening strategy. The organization, which has received support from the Mission since its inception, has made major strides towards attaining financial self-sufficiency and modernizing and streamlining its internal financial and administrative procedures, including the training of a small, key staff. **Peat Marwick audits indicate that JAD members increasingly provide operating costs through donations, which increased in real terms from US$7,000 in 1987, to more than US$334,000 in 1991.** Producers and processors organized through the highly democratic JAD committee structure will pay all operational costs of a resident USDA/APHIS Pre-Inspection advisor in 1992/93, costs which were formerly paid by the Mission. A drive to increase membership by 300 additional agribusinesses is underway. JAD is beginning 7 sub-projects of interest to national and international investors, including policy reforms (such as a one-stop export

service) and bonded cold-storage airport facilities. Systematization of administrative, information and service procedures at JAD during the last year and the institutionalization of increased, guaranteed participation by all members through democratic reform of the by-laws increased the organization's political stature and established it as a respected and influential participant in molding public and private opinion regarding basic economic reforms.

3) *Support Accelerated Opportunities for Increased Participation in the Economy by the Disadvantaged.*

The recession in the United States had negative repercussions in the Dominican Republic. Nevertheless, **a total of 19,650 new jobs were created as a direct result of A.I.D. projects during 1991**, as compared to the target of 29,500. Of these 19,650 jobs, 69.74% were new jobs for women, mostly in the Free Trade Zones.

The target of loans to micro and small businesses was exceeded by 42%, as 15,000 loans were issued, of which 43% went to women-owned businesses.

4) Address Constraints to Growth

The target for the number of participants in training abroad and the percentage of women trained was not met because the Dominican Republic was under Brooke Alexander Amendment sanctions for most of the fiscal year. Funds already obligated were needed to ensure that long-term participants would be able to complete their programs and only a very few short-term participants (23) were trained during the year.

The level of child vaccination coverage dropped because fuel shortages and numerous strikes (including a four-month strike by doctors and nurses) reduced the number and effectiveness of vaccination campaigns.

On a more positive note, the preliminary results of the Demographic Health Survey (DHS) conducted in the last two months of FY 1991 suggest that the infant mortality might have been lower in 1991 than previously estimated by projecting data obtained in studies conducted between 1975 and 1985. The Mission wants to verify this number through careful analysis of the new data obtained in the survey.

5) *Encourage Preservation and Sustainable Use of the Natural Resource Base*

The Mission completed a national natural resource assessment during FY 91. This in-depth study allowed the Mission to identify and focus its new strategy, as discussed in Section I.B. Although USAID assistance to PVO/NGOs, such as the

Asociación de Desarrollo de San Jose de Ocoa, has provided evidence that there are sound options to the GODR's draconian no-harvest/no-cut forestry policy, the Mission does not expect that the GODR will revise this policy under the current administration. The forested area in the Dominican Republic remained constant at approximately 10 percent of the country.

The successful implementation of the Parks in Peril Project helped add three new "Critical Parks and Reserves" to the Dominican system, in addition to one new inland coastal zone.

According to USDA/APHIS, 1.4 million out of 204.7 million lbs., or 0.67 percent, of Dominican fruits and vegetables shipped in 1990 were rejected for chemical harm. In 1991 the efforts to improve pest management reduced the figure to 868,736 lbs. out of a total 230 million lbs., or .38 percent, of the produce shipped. Thus, **the rate of rejection for chemical harm was reduced by 43 percent in one year, far exceeding the targeted reduction of 10 percent.** This does not mean that food chemical contamination is generally declining; in fact, it is increasing. However, exported products have less contamination largely as a result of USAID activities.

C. MONITORING AND EVALUATION STATUS AND PLANS.

As described in Section I.A., above, the Mission reduced its strategic objectives from seven to four. **The priority for the Mission during the balance of 1992 will be to develop a comprehensive system of indicators to measure program impact.** With support from a second LAC PPAS team (scheduled for August), the Mission will refine the performance indicators shown in Table 1, Annex D, and establish a performance monitoring system. The central part of that system will measure the overall impact of the U.S. assistance to the Dominican Republic. To that effect, the Mission will implement recurring surveys to assess results at the level of the two sub-goals:

- increased employment and income
- stable participatory democracy

The Mission signed a grant agreement with a local economic "think tank", the Fundación Economía y Desarrollo, to conduct a national survey of family expenditures and income by income decile. This study will provide base line data against which to measure and evaluate the impact of Mission economic development programs on consumption patterns and on income levels and distribution in the Dominican Republic. A second key survey will be conducted as part of the recently authorized Democratic Initiatives Project. It will measure the knowledge, attitudes and practices of Dominicans with regard to democracy and citizen participation. The base line data will be collected

in 1992 and will provide a point of reference to measure the impact of Mission programs in the area of democratic initiatives.

To accelerate the development of the performance monitoring system, the Mission also has inventoried all existing project funded surveys. Eleven such activities were identified which will provide base line values on some sixty variables. The Mission will select from among these variables those which provide realistic indicators of the performance and impact of individual programs and strategic objectives.

The Mission scheduled eight project evaluations in last year's Action Plan to be carried out during FY 92. Of these, the evaluation of the Agricultural Sector Training Project and Title I Section 108 are presently being carried out. The final evaluation of the Export & Investment Promotion Project will be included in a broader look at private initiatives in trade and investment. This effort, scheduled for June 1992, will also include the Industrial Linkages Project, and the loan component of the Agribusiness Promotion Project. An impact evaluation of the Development Training Project will be conducted in late FY 92 as part of the preparation for the new Development Training II Project. The Mission has decided not to carry out the final evaluation of three projects, as no new activities will be undertaken in these fields: Agricultural Policy Analysis, Sugar Diversification, and Debt Conversion.

FIGURE 3

PLANNED PROJECT EVALUATIONS
FY 1993–94 ACTION PLAN
COUNTRY/OFFICE: USAID/DOMINICAN REPUBLIC

PROJECT TITLE AND NUMBER	Last Eval. Completed (Mo./Yr.)	FY 1993		FY 1994		REASONS/ISSUES	Funding Source	AMOUNT (000)	USAID PERSON DAYS	Collateral Assistance
		Start (Qter.)	to AID/W	Start (Qter.)	to AID/W					
1. On–Farm Water Management (517–0159)	3/90	2	3			PACD: 3/93 Final Evaluation	Proj.	24,000	15	CONTRACT
2. Agribusiness Promotion (517–0186)	4/90	1	1			PACD: 12/92 Final Evaluation	Proj.	35,000	20	IQC
3. Univ. Agribusiness Partn. (517–0243)	N/A	1	2			PACD: 6/96 Mid–Term Evaluation	Proj.	25,000	10	CONTRACT
4. Family Planning Services (517–0229)	N/A	1	1			PACD: 8/93 Final Evaluation	Proj.	40,000	20	CONTRACT
5. PVO–Cofinancing (517–0247)	N/A			4	4	PACD: 8/96 Mid–Term Evaluation	Proj.	18,000	10	CONTRACT
6. Industrial Linkages (517–0252)	N/A			1	1	PACD: 12/94 Mid–Term Evaluation	Proj.	20,000	5	CONTRACT
7. Micro & Small Business (517–0254)	N/A			1	1	PACD: 6/97 Mid–Term Evaluation	Proj.	15,000	6	CONTRACT

SECTION II. COUNTRY PERFORMANCE RELATED TO BUREAU OBJECTIVES

The Mission generally agrees with the performance ranking for the Dominican Republic. The following section provides comments on the performance scoring for the Dominican Republic contained in 91 State 417545.

A. MACROECONOMIC REFORM PROGRAM

The high score for the Dominican Republic reflects the progress in implementing a comprehensive IMF supported stabilization program. Since 91 State 417545 was issued, the IMF reported to the Mission that the GODR had met or surpassed all of the December 1991 targets and that the program was proceeding satisfactorily. Section IV., A.1. summarizes the considerable progress achieved under the macroeconomic reform program since August 1990.

B. BUSINESS REGULATORY ENVIRONMENT

There has been additional progress in this area; e.g., a Framework Agreement between the GODR and the USG was signed in December of 1991, the government is preparing a new investment law which will be submitted to the Legislature this year, and a new Labor Code which will contain provisions for the enforcement of labor's right to unionize is currently under review by the Senate.

C. EDUCATION

While the new indicators are an improvement over the previous measure of a government's commitment to improving primary education, they only partially consider a country's commitment. It seems to us that the right question is how can a country get the most in quality and quantity of education for the money it invests, not just how can the government be persuaded to increase appropriations for primary education. Because of the inefficiencies of the GODR in providing services (inter alia, primary education), there has been a vigorous supply response by the Dominican private sector in the provision of primary education. Nearly 1 out of every 5 primary school children in the D.R. goes to private schools. In accordance with A.I.D.'s general policy thrust that countries should be encouraged to provide market solutions to the provision of public services, the Mission considers that an appropriate indicator should be developed to measure and reward a country's private sector commitment to providing primary education. Under a more complete/relevant indicator as suggested, the D.R.'s ranking under this variable would increase vis-a-vis other LAC countries.

SECTION III. - PORTFOLIO ANALYSIS

The consolidation of the Program during the current Action Plan phase will achieve a marked success, where the DA portfolio will be reduced by 40 percent, from 25 active DA projects in FY 1991 to 14 (plus one ESF Program) by FY 1994. Including Local Currency projects, the overall portfolio will be reduced a dramatic 86 percent, from 208 active projects in FY 1991 to 28 in FY 1994.

In FY 1991, the USAID/DR portfolio consisted of 25 active DA projects, including the Project Development and Support Project. Of these, 11 projects required funding in FY 1991, two projects were fully funded. With 7 projects completed and three new starts in FY 1992, the portfolio will be reduced to 21 active projects during FY 1992. The FY 1992 new starts include the ESF Project 517-0263, Investment and Trade Expansion, and two DA projects, the Economic Policy and Practice Project 517-0262 and the Democratic Initiatives Project 517-0265.

The Local Currency portfolio has undergone a dramatic transformation, with 113 LC projects terminated in FY 1991 alone, and a further termination of 45 LC projects in FY 1992. By FY 1994, the LC portfolio will have been reduced by 93 percent; from the active 183 LC projects in FY 1991, only 13 will still be active in FY 1994, and of these, 10 are counterpart to DA projects. Only 3 LC activities will remain on the books by FY 1994.

Figure 4 shows the evolution of the consolidation of the portfolio by fiscal year, and Figure 5 graphically illustrates this concentration, where by 1994, the Mission will manage 14 active projects, including PD&S and the ESF Program.

A. DISCUSSION OF NEW INITIATIVES

The Mission is proposing three new starts in FY 93 and one in FY 94 to address the refined strategic objectives derived during an intensive review of the Mission portfolio in January/February 1992. NPDs and Tables 5 for these are found in Annexes F through J.

a) The Family Planning and Health Project will improve the access to selected primary health services of lower income groups. A critical project in the Mission's consolidation program, the Family Planning and Health project will replace the current Family Planning, Child Survival and AIDS Prevention projects, thus reducing the portfolio by two management units.

b) The Sustaining Natural Resources Management project will assist the Dominican Republic in utilizing the resources available through the "Enterprise for the Americas Initiative" to undertake large scale efforts to reverse the trends of environmental degradation of watersheds and coastal zones and to promote sustained growth through improved management of the country's natural resources, particularly scarce water resources.

c) The Expansion and Integration of Trade and Investment project will assist the D.R. significantly to expand industrial and agricultural production intended for export to the North American continent, particularly the U.S. market, while at the same time making the D.R. a more attractive market and production site for U.S. firms.

d) The Development Training II project will support all four of the new strategic objectives by developing human resources from both the public and private sectors, to meet the manpower requirements for activities related to these objectives.

With these four new starts and with the Democratic Initiatives and Economic Policies and Practices Project scheduled to begin in FY 92, the Mission will be in a position to move forward on all four strategic objectives during the Action Plan period.

B. TERMINATING ACTIVITIES

During the current Action Plan period, the Mission will complete the majority of the older projects, and the program concentration begun in prior years will accelerate, so that by FY 1995, a total of 20 of the currently active DA projects will be completed. Of these, 7 were completed in FY 1991, a further 5 are being terminated in FY 1992, and 6 projects will be completed in FY 1993. With one older project terminating in FY 1995, virtually all the active projects in the portfolio will be "new generation" projects, aimed at the present Strategic Objectives. Following is the listing of the terminating projects by fiscal year:

FY 1992:
517-0159 On-Farm Water Management
517-0160 Agricultural Sector Training
517-0190 Export & Investment Promotion
517-0640 PTIIC
517-0256 AIDS Prevention

FY 1995:
517-0216 Development Training
517-0252 Industrial Linkages

FY 1993:
517-0186 Agribusiness Promotion
517-0229 Family Planning Services
517-0237 Debt Conversion
517-0239 Child Survival
517-0264 Economic Education
517-0214 Commercial Farming

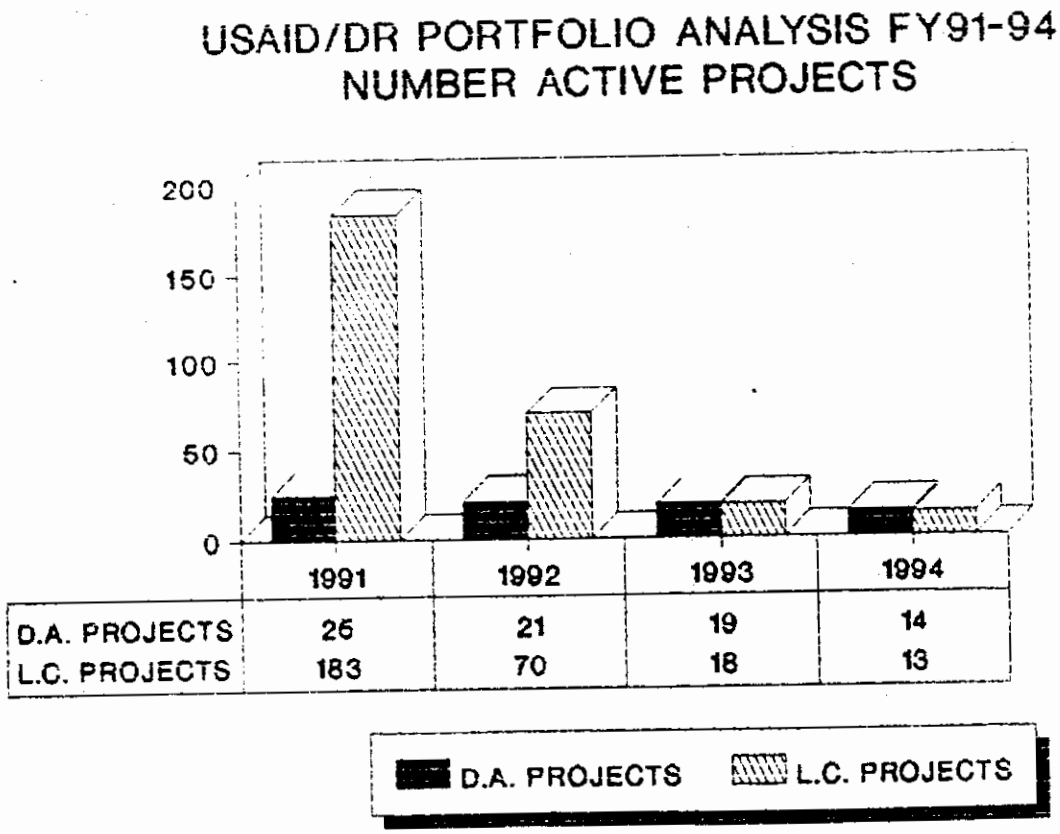
FIGURE 4

PORTFOLIO ANALYSIS

STATUS OF PROJECTS	FY 1991	FY 1992	FY 1993	FY 1994
1) D. A.				
Active 1/	25	21	19	14
Requiring Funds	11	12	12	11
Fully Funded	2	4	4	2
Terminating	7	5	6	0
New Starts	1	3	3	1
2) L. C.	183	70	18	13
Counterpart DA	28	15	14	10
LC Projects only	155	55	4	3
TOTAL PROJECTS	208	91	37	27

1/ Includes PD&S. Data for FY 93 and 94 includes ESF.

FIGURE 5



INCLUDES ESF PROGRAM

SECTION IV. RESOURCE REQUIREMENTS

A. PROGRAM RESOURCES

The Program resources levels the Mission considers necessary to achieve the strategic objectives, or at least to make significant progress toward these objectives within the Action Plan period, are based on several considerations: a) as a performing country, with a democratically elected government, enjoying civil liberties and freedom, the Dominican Republic has become the second most important LAC Bureau supported trading partner of the U.S., (maintaining 36,000 jobs in the U.S. export sector); b) the Dominican Republic collaborates closely with the D.E.A. in narcotics interdiction; c) the GODR has undertaken a comprehensive stabilization program under IMF guidance and has initiated a structural adjustment process supported by all major donors; and d) there is a great need for U.S. assistance. With a per capita GNP of $790 (1989), it is the third poorest country in the hemisphere, and the current recession in the U.S. has exacerbated the economic downturn in the Dominican Republic, and resulted in a negative impact on employment and vital social services to the poor.

USAID/DR RESOURCE REQUIREMENTS - FY 92-FY 94 - ($000/FTEs)

	FY 92	MORT	FY 93	MORT	FY 94	MORT
FN	1,748	6,706	5,812	21,144	5,910	15,484
POP	1,900	0	2,500	7,550	2,500	5,100
HE	300	997	600	547	150	547
AIDS	850	0	500	1,500	400	1,100
CHS*	2,220	0	500	2,000	500	2,000
EHR	1,256	2,619	1,409	1,360	3,010	16,500
PSEE	3,159	15,005	5,899	25,825	4,750	21,575
TOTAL DA	11,433	25,327	17,220	60,426	17,220	62,306
ESF	6,670	-	5,000	-	5,000	-
OE	2,700	-	3,000	-	3,200	
USDH**	14.4	-	15		14	
FSNDH	20.1	-	15.5		14.5	
FSNPSC**	58.4	-	55.7	-	52.2	
OTHER	2.6		2.3		2.3	

*** $400,000 transferred to the Regional LAC Accelerated Immunization Project No. 598-0786.**
**** Starting in FY 92, add also 1 USDH, and 1 FSNPSC assigned to the RCO.**

1) Development Assistance (DA)

In recognition of the action taken by the GODR in signing an IMF Agreement, and the stabilization measures which were put in place, and in the resulting "promotion" of the Dominican Republic from a "non-performing country" during FY 91 to a performing country, ranked 6th out of the 16 countries in the Hemisphere, the DA levels were raised from a low of $9.9 million in FY 91 to $17.2 million for FYs 93 and 94.

The Mission is proposing three new projects in FY 93 and one in FY 94 to address the refined strategic objectives developed during an intensive review of the Mission portfolio in January/February 1992. These are discussed in Section III. With these four new starts and with the Democratic Initiatives and Economic Policies and Practices Project scheduled to begin in FY 92, the Mission will be in a position to move forward on all four strategic objectives during the Action Plan period.

2) Economic Support Fund (ESF)

The ESF program promises to be an exceptionally useful instrument for sustaining the comprehensive economic reforms in the Dominican Republic (D.R.) and for promoting U.S. interests. The unprecedented adjustments in Dominican policies summarized below are attributable in large part to the aggressively pursued policy dialogue carried out by the Mission. To maintain continuity and adequacy of our dialogue USAID/DR proposed a two year $30 million ESF program for the Dominican Republic. Per State 354925, the LAC Bureau accepted the concept of a multi-year program (FY 92-FY 93) and agreed that for planning purposes the Mission could assume a level of $10 million in FY 92. Subsequently, the Mission was advised that the FY 92 ESF level for the Dominican Republic was $6.7 million. Any reduction in FY 93-94 ESF levels will seriously impair our ability to influence desirable policy evolution, which in light of the attendant high social costs may encounter increased resistance.

The comprehensive economic reform program that the GODR has been implementing since August of 1990 has thus far produced dramatic results. Domestic financing of the public sector deficit has been eliminated through a combination of reduced capital and operating expenditures and significant price increases for petroleum, electricity and other government produced or controlled products. This has been accompanied by tight monetary policy, including reductions in net domestic credit balances of the public sector with the Central Bank, stringently enforced reserve requirements, and positive real interest rates resulting from the decontrol of all financial system interest rates. Together with the adoption of a unified market-determined exchange rate, the new policy framework has produced price stability (inflation dropped from 100% in 1990 to 4% in 1991) and exchange rate stability. Furthermore, the government significantly reduced tariffs in August of 1990, passed a new Civil Service

law in May of 1991 and signed a Framework Agreement with the U.S. in December 1991 as part of the EAI. Also, the GODR cleared its bilateral and multilateral arrears, entered into a stand-by arrangement with the IMF in August of 1991, agreed to terms for bilateral debt rescheduling at the Paris Club meeting in November of 1991, and initiated discussions to restructure its commercial debt. Currently, a new tax policy and Labor Code submitted by the Executive are under review by the Legislature.

The Mission will continue its policy dialogue with the GODR to maintain its adherence to the structural adjustment and stabilization measures agreed upon within the IMF framework. The Mission will also use the $5 million annual allocation in FY 93 to emphasize the importance of continuing the effort to facilitate private sector investment in electric power projects and maintaining a well-staffed and functioning public utility regulatory body. By FY 94, in addition to continued emphasis on the maintenance of a sound macroeconomic program, the $5 million annual allocation will likely be used to include emphasis on policy changes that lead to a more transparent set of rules and regulations that affect business transactions -- the so-called enabling environment.

3) P.L. 480, Title II.

Food Aid activities will continue to play an important role in meeting the strategic objectives, particularly to increase the socio-economic participation of the lower income groups. The $4,858,000 Title II program will continue to be operated by the US PVO CARE through FY 1993 and will concentrate the food aid on critical areas of maternal and child health, including family planning activities. The School Feeding program will be discontinued in June, 1993 since this type of program does not reach the target groups most at risk. To increase the impact of USAID's support for local environmental interventions, the Mission proposes to monetize some Title II commodities starting in FY 1994, and to direct the generated currencies toward development of a national conservation program to preserve and protect national parks and endangered areas. This new program would complement the DA project "Sustaining Natural Resources".

4) Program Uses of Local Currency

Over the last two years, the Mission has undertaken a reorganization of its local currency portfolio along with its program consolidation and is focusing more resources to private sector activities.

As a result of that effort during FY 1993 $6.8 million is expected to be channelled to the private sector as host country contribution to A.I.D. projects. This amount represents 85% of the local currency utilization in FY 1993. From the $6.8 million channelled to the private sector, 44% will address critical socio-economic constraints to

growth through planning and improved educational opportunities and family health by supporting non-governmental programs in these areas; 36% is dedicated to expand participation in private sector productive-income generating activities by lower income groups; and 20% is directed to the agricultural sector. The 15% of funds channelled to the public sector will finance the costs of two government managed local currency projects. The funds will come from the ESF Program (42%), PL-480 Title I Agreements (25%), and Section 416 (33%).

The projections for FY 1994 indicate that virtually all resources will be channelled to the private sector. A total amount of $7.6 million is expected to be directed to the private sector as host country contribution to A.I.D. projects from which approximately $3.0 million (41%) is intended to improve export and investment services and enhance linkages among overseas and domestic investors and producers, as well as to support the establishment and strengthening of innovative, sustainable financial institutions which make sizable amounts of financial resources available to the micro and small enterprise sector. Also, approximately $2.5 million (33%) will be directed to the areas of primary education and development training, and $2.0 million (26%) will be utilized for natural resources and the environment. The ESF Program will provide 74% of the total amount, the PL-480 Title I Agreements 4%, and the Section 416 15% of funds for local currency utilization during FY 1994. Only a small amount ($0.1 million) will be dedicated to finance the Local Currency Coordinating Unit which jointly with A.I.D. manages the Local Currency Program.

LOCAL CURRENCY UTILIZATION ($000) TABLE 6

USES (1993)	ESF	PL-480 I*	SEC 416	TOTAL
HG Budget Gen.				
HG Budget Sector				
HG Contri-bution to A.I.D. projects	2,769	866	2,418	6,053
HG Managed LC proj. (Govt. or private)	306	928		1,234
A.I.D. Program Trust Fund	709			709
A.I.D. OE Trust Fund	292			292
Section 108				
Total	4,076	1,794	2,418	8,288
B. Channel for assistance**				
Public Sector	306	928		1,234
Private Sector	3,478	866	2,418	6,762
Total	3,784	1,794	2,418	7,996

USES (1994)	ESF	PL-480 I*	SEC 416	TOTAL
HG Budget Gen.				
HG Budget Sector				
HG contri-bution to A.I.D. projects	5,343	228	1,133	6,704
HG managed L/C Proj. (Govt. Or private)	148			148
A.I.D. Program Trust Fund	240	626		866
A.I. D. OE Trust Fund				
Section 108				
Total	5,731	854	1,133	7,718
B. Channel for Assistance				
Public Sector	148			148
Private Sector	5,583	854	1,133	7,570
TOTAL	5,731	854	1,133	7,718

* Note that it is PL-480 I, not II or III.

** The A.I.D. OE Trust Fund is not included.

5) Staffing

The Mission completed the major portion of the reorganization envisioned in last year's Action Plan. The Project and Program Offices were combined to form the Program Development Office. The Trade and Investment Office, which will merge the Agriculture and Rural Development and Private Enterprise Offices, will be established in the third quarter of FY 92.

The establishment of a Regional Contracting Office in Santo Domingo has generated one new USDH position and one new FSNPSC position. In addition, RAMC has requested that the Mission assume its own cashier operations, necessitating a part-time FNDH cashier. Because staff reductions have fully burdened individual workloads, incorporation of cashier responsibilities in an existing FNDH position is unlikely. Our staffing estimates are based on the assumption that the new Non-Federal audit program will not require additional staff for oversight, as most of the program is funded under Handbook 13 instruments, with the recipients responsible for audit coverage rather than the Mission.

The USDH staffing level for FY 93 is planned at 15, plus the 1 USDH regional position, and 14 plus 1 for FY 94. Overall Mission staffing will decrease from 96 in FY 92 to 83 in FY 94. The reductions pare staff to the barest minimum required for adequate coverage of planned program workload. None of the remaining positions meet the criteria for program funding rather than OE.

FSN wage revisions have kept us competitive in the local labor market and allowed the Mission to fill vacant positions and reduce turnover of FSN staff. Training programs planned for FY 92 will help increase employee productivity on the ADP LAN System which is expected to be on line late in FY 92. Further improvements in procurement and maintenance procedures should reduce workload levels for support staff and frustration levels for requestors of goods/services. However, as the Mission relies on the JAO/GSO for many of these services, success in this important area is to a large extent outside Mission control. As we continue to consolidate and focus our portfolio we expect the staff to devote substantial efforts to donor coordination and program performance assessment, two areas which have suffered because of the large number of project management units. Any further staff or OE reductions will force the Mission to delete a program area from our portfolio.

While the vulnerabilities identified in the Internal Control Assessment will generate additional workload to define and document procedural changes, such as updating procurement MOMs revising procurement and voucher processing checklists,

and negotiating a written MOM with Embassy Personnel for services, no specific actions bearing extraordinary costs appear necessary.

6) Operating Expenses

Operating Expenses, including Trust Funds, are approved at $ 2,700,000 for FY 92; and currently projected at $ 3,000,000 and $ 3,200,000 for FYs 93 and 94 respectively. These figures include a 10 percent inflation/price increase factor, which reflects a compromise between the high local rate, the relatively low US rate, and the effect of expected exchange rate changes. The FSN Wage and Benefits package claims an increasing percentage of the overall OE budget and staffing is already at the lowest acceptable levels for the current program. We expect a modest increase in real wages for our FSN staff during the Action Plan period as the Dominican workforce regains purchasing power lost over the last decade. If requested budget levels are not received, the Mission can only further reduce its program to absorb additional staffing cuts. A 10% reduction in the FY 93 request would necessitate elimination of approximately 2 USDH positions and 6 FN positions: in other words an entire sector would have to be dropped from the program.

The FY 91 funding level permitted only minimal procurement of non-expendable property (NXP), for the most part ADP equipment. Due to budget constraints and diminishing Trust Fund levels, FY 92 procurement of NXP has been restricted to a "critical needs" category. Rapid deterioration of items due to excessive heat and humidity and damage caused by frequent power outages and voltage fluctuations require that procurement of NXP follow normal, prudent replacement cycles. The Mission currently has 17 generators in operation at offices and residential housing. Both generators used to provide backup power for the Office Buildings will require a major overhaul this year. At the present rate of usage, the 15 residential generators will require major overhauls starting this year; procurement of a trailer-mounted generator will be required to maintain electrical service while performing these major overhauls. Replacement of existing motor-pool vehicles must be initiated in FY 93 with the purchase of one new vehicle. Reduction or elimination of NXP procurement will have an immediate and negative impact on Mission productivity. It is a source of concern to this Mission that the Agency continues to approach NXP procurement as discretionary: significant vulnerabilities will result from reduced staff managing increased resources without appropriate, functional tools.

7) Trust Funds

About US$ 30,000 in current operating expense trust fund resources may remain available for FY 93 use; if so, these funds should be fully disbursed by January 1993.

The recent reduction of expected ESF levels and AID/W guidelines on the phase-out of trust fund use have prompted a Mission decision to wind up the operating expense trust fund with the disbursement of the current resources. No replenishment is planned during the Action Plan period.

B. ANALYSIS OF CURRENT AND PLANNED MORTGAGES BY FUNCTIONAL ACCOUNT

Assuming an OYB in FY 92 of $11,433,000, there will be a mortgage at the beginning of FY 93 of $25.3 million, broken down as follows by functional account: ARN, $6,706,000; Health, $997,000; EHR, $2,619,000; and PSEE, $15,005,000.

With the start up of the three new projects in FY 93, the Sustaining Natural Resource Management project ($20 million), the Family Planning and Health project ($15 million), and the Expansion and Integration of Trade and Investment project ($17 million), the overall mortgage at the end of FY 93 will have increased to $60,426,000, with $21.1 million in ARN, $7.6 million in Population, $547,000 in Health, $2.5 million in Child Survival and $1.5 million in the AIDS category. The mortgage in Education will be reduced to $1.4 million and the PSEE mortgage will have increased to $25.8 million. It is worth noting that the mortgage for the older projects is only $6.0 million, whereas $54.4 million of the mortgage is for the new projects.

Assuming a continuing level of DA resources of $17.2 million annually, the mortgage at the end of FY 94 will be increased to $62.3 million, of which only $2.5 million is for two older projects. The increase is due to the start up of the new Development Training II project ($18 million) that fiscal year. Thus at the end of the Action Plan period, the mortgage will be a little more than three times the OYB, which is a manageable mortgage, considering that by then virtually all of it is due to the new starts.

The Action Plan budget tables for FY 92-94 in Annex K provide mortgage data at the end of each fiscal year, broken down by project within each funding category.

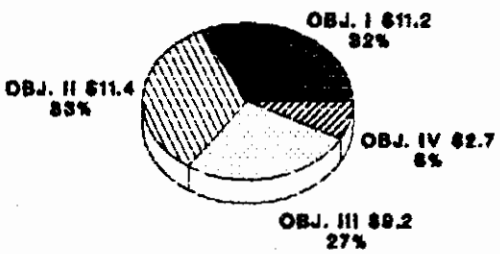
TABLE 7

SUMMARY PROGRAM FUNDING TABLE
(US $000)

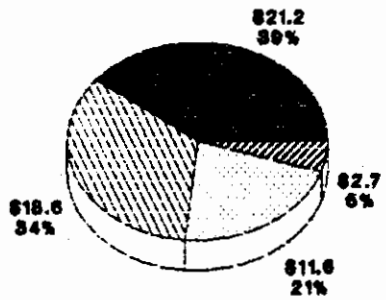
PROJECT NO. & TITLE	FY 92	FY 93	FY 94	MISSION STRATEGIC OBJECTIVE
DEVELOPMENT ASSISTANCE				
Bureau Sub–Objective I.A.				
0000 Project Development & Support	500	500	500	1
0237 Debt Conversion	0	600	0	1
0243 Univ.Agribusiness Partnership	800	1,500	1,210	1
0262 Economic Policy & Practice	850	1,000	1,250	1
0268 Development Training II	0	0	200	1
Subtotal	2,150	3,600	3,160	
Bureau Sub–Objective I.B.				
0252 Industrial Linkages	600	0	0	1
0254 Micro–enterprise Development	907	348	0	2
0267 Trade & Investment Expansion	0	2,325	1,500	1
0268 Development Training II	0	0	600	1
Subtotal	1,507	2,673	2,100	
Bureau Sub–Objective I.C.				
0000 Project Development & Support	350	350	350	2
0216 Development Training	89	0	0	1
0229 Family Planning Services	1,500	0	0	2
0239 Child Survival	255	0	0	2
0247 PVO Co–Financing	2,915	688	0	2
0251 Private Primary Education	1,017	1,259	1,360	2
0259 Family Planning and Health	0	3,450	3,350	2
0268 Development Training II	0	0	200	2
0786 Accelerated Immunization Project	400	0	0	2
Subtotal	6,526	5,747	5,260	
Bureau Sub–Objective I.D.				
0000 Project Development & Support	250	250	250	3
0247 PVO Co–Financing	0	950	950	3
0266 Sustaining Natural Resource	0	3,000	3,500	3
0268 Development Training II	0	0	300	3
Subtotal	250	4,200	5,000	

PROJECT NO. & TITLE	FY 92	FY 93	FY 94	M.STR.OBJ.
Bureau Sub–Objective II.B.				
0265 Democratic Initiatives	1,000	1,000	1,500	4
0268 Development Training II	0	0	200	4
Subtotal	1,000	1,000	1,700	
Subtotal Development Assistance	11,433	17,220	17,220	
ECONOMIC SUPPORT FUND				
Bureau Sub–Objective I.A.				
0263 Investment & Trade Expansion	6,670	5,000	5,000	1
Subtotal ESF	6,670	5,000	5,000	
P.L. 480 TITLE II				
Bureau Sub–objective I.C.	4,306	4,858	2,429	2
Bureau Sub–Objective I.D.	0	0	2,429	3
Subtotal P.L. 480 II	4,306	4,858	4,858	
PROGRAM TOTAL	22,409	27,078	27,078	

OBLIGATIONS TO THE DOMINICAN REPUBLIC FY93-94 BY STRATEGIC OBJECTIVES



D.A. OBLIGATIONS



TOTAL OBLIGATIONS
INCLUDING ESF AND TITLE II

SECTION V. MISSION INITIATED ISSUES

ISSUE: NON-MISSION FUNDED A.I.D. PROJECTS (E.G. S&T AID/SCI, ISRAELI COOPERATION, OTHER "CENTRALLY FUNDED" PROJECTS).

In the process of re-focusing our project portfolio, we have found it very difficult to sustain the same critical application of valuative criteria to AID/W funded projects in the Dominican Republic as those which were designed and funded "locally". Many of the agricultural sector non-Mission projects were begun over five years ago, under a very different set of circumstances, yet we have found it extremely difficult to curtail, reformulate and/or modify these AID/W projects to better address our new strategy. We have even been severely pressured to renew, for an additional five years, some centrally-funded projects which have become clearly inappropriate and/or undesirable in the Dominican Republic (i.e. the Bean/Cowpea CRSP). How do we end AID/W projects which no longer fit, and, conversely, how do we obtain support from the already heavily subscribed AID/W centrally-funded projects which now coincide with our new strategy, but are "financially" no longer available (i.e. all of their person/weeks have been committed)?

ISSUE: LAC PERFORMANCE AND FUNDING ALLOCATION

In accordance with the LAC performance indicators, the D.R. was ranked number 6 out of the 16 LAC countries. The Mission's analysis of the relevant data does not show a clear relationship between the allocation of total funding (nor of increments above the MCC levels) and the overall performance ranking. For example, the Eastern Caribbean region ranked fifth with an overall score of only 0.4 points (out of a possible 100 points) above the D.R.'s 70.7 overall score. The Eastern Caribbean has an income per capita 2.2 times higher and a population one thirteenth that of the D.R.'s and yet the FY 93 total assistance level (DA + ESF + Title II and III) for the D.R. ($3.67 per capita) is one twelfth that of the Eastern Caribbean region ($43.96). The allocation of funding above the MCC level produces similar results. The FY 93 funding above the MCC level (DA + ESF) for the D.R. ($1.05 per capita) is one eleventh that of the Eastern Caribbean region ($11.43 per capita).

Moreover, since one of the objectives of the EAI is to increase trade, it would seem that some consideration should be given to countries which are increasing trade with the U.S. Of the 16 LAC countries A.I.D. ranks, the Dominican Republic is the second largest importer of U.S. goods and services (after Colombia), while the Eastern Caribbean region is one of the last. Available data indicate that each billion dollars of

U.S. exports sustain approximately 20,000 U.S. jobs. Comparison of the volume of U.S. exports to the D.R. and the Eastern Caribbean show that sales to the former maintained 34,000 American jobs in 1990 while the latter maintained only 6,000. Finally, while we are not in a position to assess the comparative political implications of increased assistance to the Eastern Caribbean vis-a-vis the Dominican Republic, it is not clear to us that those implications warrant such a disproportionate allocation of resources between these two aid recipients (particularly considering that the number of Dominicans living in the U.S. alone is nearly three times larger than the total population of the Eastern Caribbean region). We wish to emphasize that in the discussion above we used the Eastern Caribbean region as an example only, and that comparisons could have been made with a number of other countries in the region with similar results.

ISSUE: EARMARKS

In FY 1992, USAID/DR absorbed the earmarks in Population, Child Survival and AIDS by expanding the scope of the PVO Co-Financing project in these areas. Starting in FY 1993, the new Family Planning and Health project will focus essentially on Family Planning and on those ancillary activities in Child Survival and AIDS which properly fit in such a project, such as control of diarrheal disease, breast-feeding and prevention of HIV transmission. In terms of dollar outlays for these activities, they represent, over the life of the project, about two years of current earmarks for these funding categories. LOP for Child Survival is $3 million, versus current earmark of $2 million annually, and LOP of $2 million for AIDS, versus current annual earmark of $850,000.

These earmarks are incompatible with our present strategy, and we request that they be reduced to an acceptable annual level which can be absorbed within the streamlined portfolio: for Child Survival, $430,000, and for AIDS, $285,000 per annum for 7 years.

ISSUE: ESF PROGRAM

USAID/DR has established an important policy dialogue agenda with the GODR to support its efforts in sustaining the comprehensive economic reforms undertaken since the Summer of 1990, and which have already produced dramatic results in terms of domestic borrowing (domestic financing of public sector deficit eliminated), price stability (inflation dropped from 100% in 1990 to 4% in 1991), and exchange rate stability. The GODR also entered into a Stand-by Agreement with the IMF in August 1991, under which terms for bilateral debt rescheduling have been agreed to at a Paris Club meeting to be held in the Summer of 1992.

The Mission played a key role in promoting the IMF arrangements, in fostering the policy changes and in encouraging the GODR to stay the course with its so far unparalleled economic program. It is imperative that the Mission remain present at the policy dialogue table in order to support the implementation of the economic reform program and the EAI and to pursue USG interests. FY 93-94 ESF levels are the minimum necessary to our continued effective participation in the dialogue.

USAID/DOMINICAN REPUBLIC STRATEGY
WORK PLAN
FY 1992-1994

Mission Goal: Broad-based and sustainable Economic Growth within a Democratic Environment.

Sub-Goal: Increased Employment and Income.

USAID Strategic Objective 1: Increased and Diversified External Trade.

1. Continue dialogue with GODR leadership regarding the importance of adherence to the stabilization program and the continued progress toward structural reforms. DIR/PDO/PDI/PRE, 3Q, FY 92.

2. Authorize ESF Economic Reform Support Program. PDI, 3Q, FY 92.

3. Authorize Economic Policy and Practices Project to promote the adherence to sound economic policy reforms. PDI, 3Q, FY 92.

4. As grantee, Stanford Research Institute (SRI) establishes local office to manage Economic Policy and Practices (EPP) Project. Grantee establishes Selection Committee and Consultative Council. EPP FY 92 Annual Work Plan approved. PDI, 3Q-4Q FY 92.

5. Working with other USG agencies and donors, complete participation in a Consultative Group donors meeting. PDO/PDI, 3Q, FY 92.

6. Provide initial grant funds under the Economic Policy and Practices Project to Dominican organizations to conduct studies and seminars designed to promote open and thoughtful debate on public policy. PDI, 4Q, FY 92.

7. Approval of first activities funded under EPP Project. PDI, 4Q FY92.

8. Encourage/assist GODR to conclude a reasonable Debt Restructuring Agreement with commercial bank creditors. PRE, 4Q, FY 92.

9. Authorize second tranche of ESF PAAD. PDI, 2ndQ FY 93.

10. Encourage/assist GODR to permit privatization of at least 1 CORDE firm. PRE, 2Q,FY 93.

11. Encourage GODR to adopt sensible Tax Reform Package. PDI/PRE, 4Q FY 92.

12. EAI-related Environmental Framework Agreement signed. ANR, 4Q, FY 93.

13. Increased rate of passage of liberal trade policies through the congressional process, signed by the President. FY 93-FY 94.

14. Amend ESF PAAD for additional funding. PDI, 2Q FY 94.

15. Complete development of a Program Performance Assessment System for this strategic indicator. PDO, 1Q, FY 93.

USAID Strategic Objective 2: *Increased Socio-economic Participation of the Low Income Groups.*

1. Extend for 14 months and procure technical assistance for the Family Planning Expansion project. GDO, 3Q, FY 92.

2. Complete initial institutional development of EDUCA in order for it to receive grant funds directly from A.I.D. under the Private Initiatives in Primary Education (PIPE) Project. GDO, 4Q, FY 92.

3. Complete implementation of child survival modules on breast feeding, oral rehydration and family planning in the three project health zones. GDO, 1Q, FY 93.

4. Conduct a study on the merits of converting FONDOMICRO into a bank (which can accept deposits). PRE, 2Q, FY 93.

5. Authorize Family Planning and Health Project. GDO, 2Q, FY 93.

6. Conduct a study on the merits and procedures of FONDOMICRO issuing bonds. PDO, 2Q, FY 93.

7. Initiate PIPE Project activities with the Ministry of Education, World Bank and IDB to maintain primary education as a national priority and to address policy and institutional constraints to the improvement of the quality of primary education, including the lack of a civil service within the Ministry. GDO, 4Q, FY 93.

8. Institutionalize the provision of immunizations at all health facilities in order to increase immunization coverage to 80% of all antigens. GDO, 4Q, FY 94.

9. Initiate activities under the Family Planning and Health Project to support the national dialogue to establish national health priorities. GDO, 1Q, FY 94.

10. Authorize the Development Training II Project. GDO, 2Q, FY 94.

11. Reorient demand for family planning to increase prevalence of use of temporary modern contraception by 10%, including Norplant insertions. GDO, 4Q, FY 93.

12. Complete development of a Program Performance Assessment System for this strategic indicator. PDO, 1Q, FY 93.

USAID Strategic Objective 3: *Increased availability of water needed for sustained economic development.*

1. Improve capacity of NGO's/PVO's to promote and adopt environmentally sound water management policies and practices.

   - Increase the number of water user's associations from 4 to 6. ANR 4 QTR, FY 93.

   - Increase the percentage of NGO/PVO budgets dedicated to improved water management by 10 percent. ANR 4 QTR, FY 93.

2. Improve quantity, quality and distribution of water in selected areas.

   - Improved stream-flow pattern/volume in 10 percent of the A.I.D. targeted watersheds. ANR AND GDO 4 QTR, FY 94.

   - Improved quality of water discharged from 10 percent of A.I.D. targeted watersheds. ANR AND GDO 4 QTR, FY 94.

3. Improve policy and enforcement climate to manage water resources.

   - New water law approved by Congress. ANR 2 QTR, FY 93.

   - Plan adopted by all political parties supporting consolidation and reform of reforestation laws and institutions. ANR 2 QTR, FY 94.

4. Complete development of a Program Performance Assessment System for this strategic indicator. PDO, 1Q, FY 93.

USAID Strategic Objective 4: *Participatory Democratic Reform.*

1. Provide initial grant funds under the Democratic Initiatives Project (DI) to Dominican organizations to conduct studies and seminars designed to promote open and thoughtful debate on public policy related to democracy themes. PDI, 4Q, FY 92.

2. Operational Unit, Selection Committee and Consultative Council established by grantee (Pontificia Universidad Católica Madre y Maestra) under Democratic Initiatives (DI) Project; DI Project's 1992 Annual Work Plan approved; approval of first activities funded under DI project, probably in the area of electoral reforms. PDI, 4Q, FY 92.

3. Better informed discussions on the electoral process. PDI, 3Q,FY 93.

4. Assist Dominican institutions to complete a baseline study on knowledge, attitude and practices of citizenry in a democratic society. PDI, 1Q, FY 93.

5. Annual Work Plan appproved. Further activities funded under DI project FY 93. PDI, 3Q FY 93.

6. Annual Work Plan approved; electoral reforms in place. PDI, 1Q FY 94.

7. Complete development of a Program Performance Assessment System for this strategic indicator. PDO, 1Q, FY 93.

STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Tables 2.1 Increased and Diversified and External Trade.

2.2 Increased Socio-economic Participation of the Lower-income groups.

2.3 Increased availability of Water Needed for Sustained Economic Development.

2.4 Participatory Democratic Reform.

Table 2.1: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
1. Market-oriented economic policy and regulatory reforms adopted and maintained	a. Assistance/advice on restructuring of external debt.	– Debt Conversion Project	517-0237
		– EPP Project	517-0262
	b. Assistance/advice on negotiation of Framework Agreement on Trade	– Expansion and Integration of Trade and Investment	517-0267
		– Industrial Linkages Project	517-0252
	c. Assistance/advice on export incentives law (Law 69)	– Expansion and Integration of Trade and Investment	517-0267
		– Industrial Linkages Project	517-0252
	d. Assistance/advice on foreign investment law	– Expansion and Integration of Trade and Investment	517-0267
		– Industrial Linkages Project	517-0252
	e. Assistance/advice on resolution of labor issues	– AIFLD Project	598-0101
	f. Assistance/advice on concluding/ complying with IMF Standby Agreement and its stabilization reforms	– Economic Education	517-0264
		– EPP Project	517-0262
		– ESF Grant	517-0263
		– Debt Conversion	517-0237

Table 2.1: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
	g. Advice on continuation of dialogue and	– EPP	517–0262
	completion of structural adjustment reform	– ESF	517–0263
		– Economic Education	517–0264
		– University Agribusiness Partnership	517–0243
	h. Support for policy modification necessary	Project	
	for full EAI participation e.g. framework	– Expansion and Integration of Trade	517–0267
	agreement, debt restructuring agreement,	and Investment	
	environment framework agreement, trade	– Sustaining Natural Resources Project	517–0266
	liberalization.	– University Agribusiness Partnership	517–0243
		Project	
	i. Support for LRJ reforms	– Expansion and Integration of Trade	517–0267
		and Investment	
2. Increased export	a. Complete detailed survey of input	– Industrial Linkages Project	517–0252
production by Dominican	requirements of FTZ firms that could		
firms.	be supplied locally		
	b. Provide technical assistance needed	– Industrial Linkages Project	517–0252
	by selected firms in key sectors to enable	– IESC Grant	
	them to inituate exports to FTZs and abroad		

Table 2.1: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
	c. Develop and implement information campaign adequate to assure that all potential suppliers of inputs to FTZs are aware of opportunities	– Industrial Linkages Project	517–0252
	d. Support establishment/functioning of capacity to "pre–inspect" all dominican produce intended for U.S. market	– Agribusiness Promotion Project	517–0186
	e. Assist producers to upgrade quality, identify market opportunities and clarify market requirements	– Expansion and Integration of Trade and Investment	517–0267
			517–0252
	f. Training Personnel	– Development Training	517–0216
	g. Enhance long–term viability of industrial production by supporting businessmen's efforts to upgrade the technical capacity of the workforce.	– Expansion and Integration of Trade and Investment	517–0267
		– Industrial Linkages Project	517–0252
3. Increased availability and reliability of competitively priced energy	a. Provide assistance/advice necessary to have DDRIE "reglamento" formally promulgated	– EPP Project	517–0262
		– ESF Grant	517–0263

Table 2.1: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
	b. Arrange national seminar on "Path to Privatization of the Electrical Energy Sector" to attempt to forge greater consensus on how to deal with electric power crisis	– PSED (AID/W) Project	
	c. Support for activities to improve the regulatory environment and key components of physical infrastructure	– Expansion and Integration of Trade and Investment	517–0267

Table 2.2: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED SOCIO–ECONOMIC PARTICIPATION OF THE LOWER INCOME GROUPS

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
1. Improved quality of primary educational services	a. Policy dialogue on national priority of primary education. School director and teacher training. Textbook and teaching material revision and development. Achievement testing system development.	Private Initiatives in Primary Education. (PIPE) Project	517–0251
		Education and Human Resources Technical Support (EHRTS)	598–0659
		Development Training Project	517–0216
2. Improved access to selected primary health services	a. Policy dialogue to establish national health priorities. The provision of family planning, child survival, AIDS prevention services and water and sanitation activities.	Family Planning and Health Project	517–0259
		Family Planning Services Expansion	517–0229
		Child Survival	517–0239
		AIDS Prevention	517–0256
		PVO Co–Financing	517–0247
		Development Training Project	517–0216
		Association for Voluntary Sterilization (AVSC)	936–3049
		Expansion and Improvement of Family Planning Services in Latin America and the Caribbean	936–3043

Table 2.2: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED SOCIO-ECONOMIC PARTICIPATION OF THE LOWER INCOME GROUPS

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
		AIDSCOM	936-5972-1
		AIDSTECH	936-5972-2
		WASH	936-5973
		Health Financing and Sustainability	936-5974
		Family Planning Logistics Management	936-3038
		WELLSTART	936-5966
		Demographic and Health Survey II	936-3023
		Accelerated Immunization II	598-0786
3. Increased income generating activities	a. Support for continue expansion of borrowing and lending capacity of FONDOMICRO, a financial institution established to serve as a bridge between the commercial finance sector and the microenterprise sector	Small and Microenterprise Development Project	517-0254
	b. Support for business training of microentrepreneurs	PVO Co-Financing	517-0247
		Development Training	517-0216

Table 2.3: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: INCREASED AVAILABILITY OF WATER NEEDED FOR SUSTAINED ECONOMIC DEVELOPMENT

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
1. Improve capacity of PVOs /NGOs to promote environmentally sound water management policies and practices.	1. Technical assistance to strengthen policy and institutional capabilities.	Sustaining Natural Resources Project	517-0266
		PVO Co-Financing Project	517-0247
	2. Short-term international and local leadership training to improve and reinforce private and public organizations.	On-Farm Water Management Project Project	517-0159
	3. Monitor progress toward program outputs of this strategic objective and redress environmental pollution through short-term technical assistance.	University Agribusiness Partnership Project	517-0243
		Environmental Pollution Prevention Project (EP3)	XXXX
2. Improve quantity, quality and distribution of water in selected areas.	4. Financial assistance to carry out selected projects in the built and natural environments, and to establish self-supporting mechanisms to finance endowment funds, such as debt-for-nature swaps and taxes on "common-like" resources, such as national parks.	Integrated Pest Management Project	2.07 B
		PL 480 Title II	XXX
		Environmental and Natural Resources Policy and Training Project	936-5555
3. Improve policy and enforcement climate to manage water resources	5. Studies and seminars to achieve policy reform to improve existing policies (and laws supporting them).	Parks in Peril Project	598-0782
		Forestry Support Program, Caribbean National Forest (USDA-FA-RSSA-BST)	BST-5519 -R-AG -2188

Table 2.4: STRATEGIC OBJECTIVE PROGRAM OVERVIEW

Country: DOMINICAN REPUBLIC

Strategic Objective: PARTICIPATORY DEMOCRATIC REFORM

Other Activity:

Program Outputs	Activities	Source of Support	
		Title	No.
1. Democratic Education	a. Teaching the population in general	– Democratic Initiatives	517–0265
	and specific groups in particular about the	– Development Training	517–0216
	values and functioning of the democratic	– PVO Co–Financing	517–0247
	system.		
	b. Promoting citizen participation in	– Democratic Initiatives	517–0265
	political institutions and process.		
	c. Fostering internal democratization of	– Democratic Initiatives	517–0265
	both public and private institutions.	– PVO Co–Financing	517–0247
2. Electoral Reform	a. Support updating of existing electoral	– Democratic Initiatives	517–0265
	legislation and regulations		
	b. Support for institutionalization and	– Democratic Initiatives	517–0265
	modernization of the Junta Central		
	Electoral (JCE, "Central Electoral		
	Council") and of the Juntas Municipales		
	("Municipal Councils").		
	c. Support programs to reform and	– Democratic Initiatives	517–0265
	modernize the Electoral Records.		
	d. Training of electoral personnel.	– Democratic Initiatives	517–0265
	e. Support for programs aimed at the	– Democratic Initiatives	517–0265
	democratization of political parties.		

FAA 118-119, FORESTS & BIOLOGICAL DIVERSITY

The USAID completed its Biological Assessment Report in 1988 in response to the U.S. Congress amendment to Sections 118 and 119 of the Foreign Assistance Act, which requires Country Development Strategy Statements and other country plans to include analyses of: (1) the actions necessary in the country to conserve biological diversity and tropical forests, and (2) the extent to which current or proposed A.I.D. actions meet these needs. The Biological Assessment built upon the USAID's 1981 Country Environmental Profile and was recently supplemented by a 1992 "Intensive Survey of Rural and Urban Activities Impacting Water and Coastal Resources". The following summary reports on specific provisions of FAA Amendments 118 and 119.

STATUS AND MANAGEMENT OF PROTECTED AREAS

The GODR created a network of nine national parks, including one marine park, and five scientific reserves to protect representative areas of the country's ecosystems. These areas cover 568,900 hectares of 11.8% of the country's land mass. In addition to these areas, tracts of Government land still covered by forest are nominally under the protection of the Directorate General of Forestry (DGF). The GODR has not matched creation of parks and reserves with the structures required to administer and protect these areas from illegal entry and exploitation. Park guards exist, but they are underpaid and inadequately trained, and are commonly influenced by persons desiring to exploit park resources. Programs to study these areas are hampered by the National Park Directorate's (DNP) lack of funds, inadequately trained professional staff, and poor organization. The Botanical Garden and some universities conduct limited surveys of these areas, but there is no concerted national action plan, except the FAO-originated Tropical-Forest-Action Plan.

The GODR has no specific plans to manage these areas except to protect their representative ecosystems and flora and fauna. Their plans for two national parks were implemented, in part, by the AID/W funded Parks in Peril Program and private groups, but the DNP's limited resources, both financial and physical, hamper additional preservationist activities.

Compounding these problems, other GODR agencies often implement programs which foster the invasion of parks and reserves by farmers. These types of problems continue in the absence of a system for coordinating protection and development programs and for resolving interagency conflicts.

STATUS AND PROTECTION OF ENDANGERED SPECIES

The devastation of natural habitats for agricultural, livestock and charcoal exploitation is a major factor causing elimination of the country's flora and fauna, both outside and

within protected areas. As a result, virtually all native plant and animal species are threatened. Limited efforts are being made to study and conserve some native flora and fauna, but mostly by non-government organizations. The notable exceptions have been the Secretariat of Agriculture's Wildlife Department enforcement of the CITES covenant to control exports of protected species, and their efforts, through the Park Ranger Corps, to control hunting within national park boundaries. The DNP, with assistance from the German Society for Technical Cooperation (GTZ) is attempting to identify new areas to protect, but progress is slow due to interagency rivalries. The Botanical Garden is also purportedly developing a catalog of Dominican flora.

CONSERVATION OUTSIDE PROTECTED AREAS

The GODR attempted, through bans and regulations, to control exploitation of biological resources outside protected areas. For example, they banned sale of hunting weapons to protect wildlife, banned the cutting of trees and the export of native plants to slow forest destruction, and designated specific seasons for the capture of certain fish and marine animals. However, there is inadequate enforcement of these controls and this contributes to the continued destruction of the country's ecosystems.

CONSERVATION OF ECONOMICALLY IMPORTANT NATIVE SPECIES AND GERM PLASM

Private seed companies and universities make some efforts to conserve germ plasm of commercial crop and animal varieties. However, no organization is conserving germ plasm of native flora and fauna. None of the known commercially valuable forest tree species have been scientifically studied or collected. The DGF has neither the interest nor the capacity to collect and preserve seeds from these species, and the existing cutting ban corrupts commercialization of lumber in many ways.

MAJOR ISSUES REGARDING BIOLOGICAL DIVERSITY AND FOREST CONSERVATION

Efforts to protect the country's biological diversity are hampered by Government institutional problems, unrestricted development of lands for tourism and agriculture, and an overall lack of consciousness among many Dominicans about the importance of these resources.

GODR institutional problems are outlined above - in summary, many Government agencies were created to manage and protect the country's biological resources. Their responsibilities overlap, they have few fiscal and physical resources, their staffs are inadequately trained and change frequently, and they all suffer from poor organization. These conditions prevent them from developing and implementing realistic programs to protect the country's biological resources.

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The country's coastlines and forested lands face virtually unrestricted development for tourism and agriculture. Coastal developments for tourism and charcoal exploitation are eliminating many mangrove forests which are essential for maintaining the productivity of the country's artisanal fisheries. The construction of tourist facilities on beaches used by marine turtles for laying eggs hinders these species' reproduction. During the last five years there was a 25-fold-increase in the number of recorded visitors observing West Indian humpback whales in Samana Bay. Throughout the country, inadequate planning for treating and disposing of waste is eliminating many of the country's reefs.

While tree-cutting bans eliminate opportunities for systematically planting and harvesting trees, the GODR promotes clearing of forest lands for agricultural development. Furthermore, the GODR has built large hydroelectric and irrigation dams without taking the necessary steps to protect the watersheds above them.

Finally, the Dominican people demonstrate incomplete awareness of the importance these resources hold for their future development. Influential urban dwellers demonstrate less than ideal interest in their country's natural environments. Until influential Dominicans develop a sense of environmental consciousness, and join forces to precipitate a change in the Government's policies and priorities, few efforts by Government agencies will succeed in protecting and conserving the country's biological resources.

RECOMMENDATIONS:

Despite this generally pessimistic report about the future of forests and biodiversity in the country, many of the current or proposed USAID actions will assist Dominicans to reverse the situation.

Since Government agencies are themselves one of the major agents causing harm to the country's biological resources, future A.I.D. support, as well as that from other international donors, will primarily go to the approximately thirty Dominican non-governmental organizations, both semi-public and private, having demonstrated an interest and ability to effectively implement natural resource programs. These include local private voluntary organizations, development associations, private universities, the Botanical Garden, and similar ecological societies.

All major international loans for agricultural, irrigation and hydroelectric development now include conditions and funding to protect the watersheds above the areas they impact and the biological resources they contain (the Pelosi Amendment, which took effect 12/19/91). The USAID will be much more active in reporting on compliance with the Pelosi Amendment and may well request the U.S. to vote no or to abstain from some multilateral development bank projects.

The Agency for International Development will continue to promote the rationalization of Government forestry policies, and the reorganization of those agencies responsible for conserving forest resources.

Fortunately, the thirty NGOs/PVOs working in the environment area fill gaps in services which would ordinarily be provided by the GODR. This trend will likely continue for the next decade. However, the USAID has an excellent opportunity to institutionally strengthen a critical effort in the protection and conservation of national parks by monetizing approximately half of the proceeds from the sale of Title II commodities and by focusing that local currency on those national parks and bio-reserves that would contribute to the objective of improving the management of water resources.

The USAID's ten-year development assistance grant to NGOs and PVOs (Project 517-0266) will follow several Dominican initiatives to sustain the nation's water resources. Early implementation of this new DA project will contribute directly to attainment of the USAID's strategic objective of "increasing availability of water needed for sustained economic development". Details of this new project were contained in an NPD in last year's Action Plan, but have been modified and resubmitted in a new NPD found in Annex G of this year's presentation. Note that this strategic objective is being given greater importance, in large part to assist the country to meet the mandates contained in FAA 118, 119 and related U.S. environmental legislation.

Table 1.1: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE ECONOMIC POLICIES THAT PROMOTE INVESTMENT, PRODUCTIVE AND OUTWARD-LED DIVERSIFICATION, AND ENCOURAGE A VIGOROUS RESPONSE BY THE PRIVATE SECTOR TO A FAVORABLE ENVIRONMENT.

Mission Strategic Objective 1: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Indicator	Unit	Base-line value	Base-line date	Target value	Target date	Revised	Current Year 1991 value	Current Year 1991 date	1992 Target value	Data source
1. Total Exports	Millions									
a. National	of US$	735	1990	964	1996		658		710	Central Bank
b. Exports from US*	" "	1725	1990	2520	1996		1976		2134	US Dept. of Commerce
2. Net Export from FTZ	" "	196	1990	315	1996		250		265	CB/CEDOPEX
3. Net Income from Services	" "	679	1990	1077	1996		626		676	Central Bank
4. Total Imports	" "	1793	1990	2138	1996		1738		1877	" " "
– Imports from U.S. *	" "	1620	1990	2289	1996		1722		1860	US Dept. of Commerce

* Total export and import data from US include Gross FTZ, freight and insurance

Program Output 1.1: MARKET-ORIENTED ECONOMIC POLICY AND REGULATORY REFORMS ADOPTED AND MAINTAINED

1. Stabilization and structural reforms										
– IMF Agreement signed	Agreem.	–	7/91				Yes	7/91		IMF
– IMF Agreement	Targets		12/91		3/93		Yes	12/91	6/92	IMF
– Market Interest Rate	Policy In Place	No	1990	Yes	1996		Yes		Yes	Central Bank

Table 1.1: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
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Mission Strategic Objective 1: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Indicator	Unit	Base-line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
– Market Exchange Rate	" "	No	1990	Yes	1996		Yes		Yes	Central Bank
– Fiscal Discipline	Fiscal Def/GDP	–5.1%	1990	–1.5%	1996		+1.0%		–1.6%	Central Bank
– Tax Reform	Policy In Place	No	1990	Yes	1996		No		Yes	Minist. Finance
– Customs Reform	" "	No	1990	Yes	1996		No		No	Minist. Finance
– Debt Restructuring Agr.										
– Paris Club	Agr. sign.	No	1990	Yes	1992		Yes	11/91	–	Central Bank
– Commercial Banks	Agr. sign.	No	1990	Yes	1992		No	–	Yes	Central Bank
– Privatization Proceeding	Accept. Progress	No	1990	Yes	1996		No		Yes	GODR/IBRD/ IDB
2. EAI-Related										
– Trade Framework Agreement	Agreem. signed	No	1990	Yes	1993		Yes	11/91	–	Central Bank/ Foreign Rel.
– Debt Restructuring Agr.										
– Paris Club	Agr. sign.	No	1990	Yes	1992		Yes	11/91	–	Central Bank
– Commercial Banks	Agr. sign.	No	1990	Yes	1992		No	–	Yes	Central Bank

Table 1.1: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE ECONOMIC POLICIES THAT PROMOTE INVESTMENT, PRODUCTIVE AND OUTWARD-LED DIVERSIFICATION, AND ENCOURAGE A VIGOROUS RESPONSE BY THE PRIVATE SECTOR TO A FAVORABLE ENVIRONMENT.

Mission Strategic Objective 1: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Indicator	Unit	Base-line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
- EAI Debt Reduction										
- PL 480 Debt	Agr. sign.	No	1990	Yes	1993		No	1991	No	Central Bank
- DA + ESF Debt	Agr. sign.	No	1990	Yes	1993		No	1991	No	Central Bank
- IMF Eligibility Attained	Agreem. signed	No	1990	Yes	1993		No		Yes	Central Bank
- Progress on Open Trade	Law Pass.	No	1990	Yes	1995		No	1991	No	Minist. Finance
- Add. Env. Framework Agreement	Agreem. signed	No	1990	Yes	1993		No	1991	No	USG
Program Output 1.2:	INCREASED EXPORT PRODUCTION BY DOMINICAN FIRMS									
Locally produced goods purchased by FTZs	Millions of US$	$200	1990	$375	1994		$215	1991	$260	ILP
Local Firms supplying FTZs	# Firms	15	1990	75	1994		15	1991	18	ILP
FTZ Firms purchasing local goods	# Firms	270	1990	500	1994		295	1991	310	ILP
Value of non FTZ exports	US$ M	735	1990	1,139	1996		658	1991	710	Central Bank
# Firms involved in non FTZ exports	# Firms	6000	1990							CEDOPEX

Table 1.1: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

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Mission Strategic Objective 1: INCREASED AND DIVERSIFIED EXTERNAL TRADE

Indicator	Unit	Base-line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
Program Output 1.3:	WIDER ACCESS TO MARKET AND INVESTMENT INFORMATION									
Total value foreign investment	US$ M	576.2	1990	1,000	1996		605.9	7/91		Central Bank
# New foreign firms investing		61	1990	100			49			Central Bank
Program Output 1.4:	INCREASED AVAILABILITY AND RELIABILITY OF COMPETITIVELY PRICED ENERGY									
Average Daily power distributed by CDE	MGW	370	1990	1200	1996		380	1991	500	IDB/IBRD
% of CDE installed capacity utilized	%	35	1990	90	1996		40	1991	60	IDB/IBRD
Private investment in power generated to grid	US$ mill.	0	1990	300	1996		0	1991	40	IDB/IBRD
DDRIE functioning adequately	Pol/Staff In Place	No	1990	Yes	1996		No	1991	Yes	IDB/IBRD

Table 1.2: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: ACHIEVEMENT OF BROADLY BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE ECONOMIC POLICIES THAT PROMOTE INVESTMENTS, PRODUCTIVE EMPLOYMENT AND OUTWARD ORIENTED DIVERSIFICATION

Mission Strategic Objective 2: INCREASED SOCIO-ECONOMIC PARTICIPATION OF THE LOWER-INCOME GROUPS

Indicator	Unit	Base-line value	Base-line date	Target value	Target date	Revised	Current Year 1991 value	Current Year 1991 date	1992 Target value	Data source
– Primary Education raised	PEE/TGE	8.2	1990	15	1995		12.1	1991	13	GODR Reports
to level of national priority	DSP (*)									
– Health Status	(See Below)									
– Income Distribution	(**)									Income Exp.
Improvement										Survey

(*) Primary Education Expenditures (PEE)/Total Government Expenditures (TGE) less Debt Service Payment (DSP)
(**) Base Line information will be determined from Base Line Study in process.

Program Output 2.1: IMPROVED QUALITY OF PRIMARY EDUCATIONAL SERVICES

Decreased repeat rate	%repeat	–	9/92	Depends on	9/96		–	–		PIPE Project
end of 4th and 8th grades				Baseline						Reports
Rise in standardized test	Average	–	9/92	Depends on	9/96		–	–		PIPE Project
scores at end of 8th grade	score in			Baseline						Reports
	project									
	area									

Table 1.2: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: ACHIEVEMENT OF BROADLY BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE ECONOMIC POLICIES THAT PROMOTE INVESTMENTS, PRODUCTIVE EMPLOYMENT AND OUTWARD ORIENTED DIVERSIFICATION

Mission Strategic Objective 2: INCREASED SOCIO-ECONOMIC PARTICIPATION OF THE LOWER-INCOME GROUPS

Indicator	Unit	Base-line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
Program Output 2.2:	IMPROVED ACCESS TO SELECTED PRIMARY HEALTH SERVICES									
Prevalence and use of contraceptive methods	CPR (***)	56.4	9/91	62	9/96		56.4	9/91	–	Demographic Health Surv.
Exclusive breastfeeding rates (for first 3 months of life)	%	9.5	9/91	15	9/96		9.5	9/91	–	Demographic Health Surv.
Program Output 2.3:	INCREASED INCOME GENERATING OPPORTUNITIES									
# of NGO clients of FONDOMICRO	#NGOs	3	1991	8	1995		3	1991	4	FONDOMICRO
Total # of borrowers from FONDOMICRO and NGO clients	# of Borrowers	8,000	1991	20,000	1995		8,000	1991	17,000	FONDOMICRO
Total amount of credit available for microenterprise	US$	500,000	1991	22,000,000	1995		500,000	1991	10,000,000	FONDOMICRO

(***) Contraceptive Prevalence Rate for Women in Union

Table 1.3: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE PRESERVATION AND SUSTAINABLE USE OF THE NATURAL RESOURCE BASE

Mission Strategic Objective 3:INCREASED AVAILABILITY OF WATER NEEDED FOR SUSTAINED ECONOMIC DEVELOPMENT

Indicator	Unit	Base-line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
1. Increase total useable H2O (%) provided to urban water system	10 (6) M3	300	1990	600	2003		300	04/15	330	INAPA/CAASD/ CORAASAN
2. Increase total useable H2O (%) provided to rural irrigation networks	10 (6) M3	310	1990	620	2003		310	04/15	340	INDHRI

Program Output 3.1: IMPROVE CAPACITY OF PVOs/NGOs TO PROMOTE ENVIRONMENTALLY SOUND WATER MANAGEMENT POLICIES AND PRACTICES

1. Increase in number of water user's associations	# Assoc.	12	1991	36	2003		12	04/15	18	Survey OFWM
2. Increased amount of NGO/PVO budgets dedicated to improved water management	RD$	tbd	1991	tbd	2003		tbd	04/15	tbd	PVO Co-Financing

Table 1.3: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
Sub-Objective: ENCOURAGE PRESERVATION AND SUSTAINABLE USE OF THE NATURAL RESOURCE BASE

Mission Strategic Objective 3:INCREASED AVAILABILITY OF WATER NEEDED FOR SUSTAINED ECONOMIC DEVELOPMENT

Indicator	Unit	Base-line value	Base-line date	Target value	Target date	Revised	Current Year 1991 value	Current Year 1991 date	1992 Target value	Data source
Program Output 3.2: IMPROVE QUANTITY, QUALITY AND DISTRIBUTION OF WATER IN SELECTED AREAS										
1. Improve streamflow pattern/volume in A.I.D. targeted watersheds	%area	tbd	1990	100	2003		10	04/15	11	INDHRI
2. Increase hydropower	%kwh	tbd	1990	100	2003		10	04/15	10	INDHRI
3. Improve quality of water discharged from A.I.D. - targeted watersheds	%area	tbd	1990	100	2003		10	04/15	11	INDHRI
4. Decrease solid wastes dumped into the sea and freshwater	%tons	tbd	1990	100	2003		10	04/15	10	Ayuntamientos
Program Output 3.3: IMPROVE POLICY AND ENFORCEMENT CLIMATE TO MANAGE WATER RESOURCES										
1. New water law promoted by INDHRI receives Congressional approval	Law	INDHRI's draft	12/91	Law Approved by Congress	1993		NA	04/15	NA	INDHRI
2. Reforestation laws and institutions consolidated and reformed	Plan	Common Policy	12/91	Common Policy	1995		NA	04/15	NA	JAD

tbd: to be determined

Table 1.4: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE EVOLUTION OF STABLE, PARTICIPATORY DEMOCRATIC SOCIETIES
Sub–Objective A: STRENGTHEN CIVILIAN GOVERNMENT INSTITUTIONS

Mission Strategic Objective 4:PARTICIPATORY DEMOCRATIC REFORM

Indicator	Unit	Base–line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
1. # significant issues			2002							
brought to formal discussion										
2. # significant issues										
brought to formal										
negotiation										
3. # significant reforms										
implemented										
4. Increase in citizen										
awareness (male/female)										
5. Increase in channels for										
public opinion affecting										
reform										
6. Perception of open,										
participatory decision–										
making process (male/										
female)										

Table 1.4: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE EVOLUTION OF STABLE, PARTICIPATORY DEMOCRATIC SOCIETIES
Sub–Objective A: STRENGTHEN CIVILIAN GOVERNMENT INSTITUTIONS

Mission Strategic Objective 4:PARTICIPATORY DEMOCRATIC REFORM

Indicator	Unit	Base–line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
Program Output 4.1:	DEMOCRATIC EDUCATION									
1. Increase in awareness										
of advantages of a										
participatory democratic										
system (male/female)										
Program Output 4.2:	ELECTORAL REFORM									
1. Timeliness with which										
electoral results are										
reported										
2. Confidence in fairness of										
the electoral process (male/										
female)										
Program Output 4.3:	OTHER POLICY AND REGULATORY REFORM									
4.3.1. Judicial Reform										
1. Timeliness with which										
court cases are processed										
2. Confidence in fairness										
of the judicial process										

Table 1.4: MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Country: DOMINICAN REPUBLIC

LAC Bureau Objective: SUPPORT THE EVOLUTION OF STABLE, PARTICIPATORY DEMOCRATIC SOCIETIES
Sub–Objective A: STRENGTHEN CIVILIAN GOVERNMENT INSTITUTIONS

Mission Strategic Objective 4:PARTICIPATORY DEMOCRATIC REFORM

Indicator	Unit	Base–line		Target			Current Year 1991		1992 Target	Data source
		value	date	value	date	Revised	value	date	value	
(male/female)										
3. # of professional judiciary										
appointed by the Supreme										
Court (male/female)										
4.3.2. Civil Service Reform										
1. Perception of timeliness										
and quality of public										
service delivery (male/										
female)										
2.Perception of effectiveness										
of civil service (male/female)										
3. Percentage of technical										
staff replaced with										
change of government										
(male/female)										

TABLE III

PROGRAM PERFORMANCE TARGETS
USAID/DR

Indicators	1975	1980	1985	1990	PROPOSED 1991	ACTUAL 1991
I. ECONOMIC GROWTH	5.2	6.0	-3.6	-5.1	2.2	-0.5
Obj. 1: Promote Gov. Reform Prm						
1.A) Economic Policies						
Intern. sanctioned stabiliz. Prm in place (Y/N) (1)	N/A	N	Y	Y	N	Y
Intern. Sanction Debt Restruct. Prm in place (Y/N) (2)	N/A	N	Y	Y	N	N
Investment Regime Reformed	N/A	N	N	N	N	N
1.B) Vigorous Private Sector Responsibilities						
Obj. 2: Promote Incr. Inv. & Trade						
Private Investment (% of GDP)	15.1	20.0	15.8	16.6	18.0	N.A.
Exports to U.S. (value % of GDP) (3)						
- Traditional	N/A	N/A	11.3	4.8	4.7	3.7
- Non-Traditional	N/A	N/A	10.4	19.2	19.4	23.2
Imports from U.S. (% of GDP) (4)	N/A	N/A	16.7	22.6	23.2	23.4
SOEs privatized/liquidated	N/A	N/A	N/A	N/A	0	0
Electricity Privat Projects (Y/N)	N	N	N	N	N	Y
Debt Converted ($000,000)	0	0	0	0	0	172.6
1.C) Accelerated Opportunities for Disadvantaged						
Obj. 3: Expand Partic. in Prod. Act.						
Net employment generated by A.I.D. projects (5)	N/A	N/A	N/A	400	29,500	19,650
- (% of women)	N/A	N/A	N/A	-93%	67%	70%
Loans to Micro/Small Enterprises (incl. farms) (6)				10,000	12,000	17,000
- (% of women)				42	43	43%
Obj. 4: Address Constraints to Growth						
No. of students benefitting from improved systems (7)	N/A	N/A	N/A	0	0	0
No. of participants receiving training abroad	25	14	182	474	405	228
- (% of women)	32%	7%	19%	35%	35%	23%
Child vaccination coverage (Dup) (8)	N/A	N/A	N/A	77	78	60
Infant Mortality (IMR) (9)	N/A	N/A	69	61	59	56.5
Contraception Prevalence (Dup) (10)	32	42	48	54	55	56.4
AIDS: % using protection (11)	N/A	N/A	N/A	38	42	42
1.D) Preservation of Natural Resources						
Obj. 5: Reduce Imped. to Nat. Res.						
Area Forested (% total land)	41	31	28	11	10	10
Number of nat. parks working effectively	0	0	0	2	3	5
Coastal zones in improvement projects	0	0	0	0	0	1
Products rejected for chemical harm (%) (12)**	2.5	2.2	2.2	0.67	0.65	0.38
Watershed Management proj. underway	0	0	1	1	2	1

(*) See Annex M for notes.

** Early years are estimated

TABLE III

PROGRAM PERFORMANCE TARGETS
USAID/DR

Indicators	1975	1980	1985	1990	PROPOSED 1991	ACTUAL 1991
II. DEVELOPMENT/STRENGTHENING OF DEMOCRACY						
Obj. 6: Incr. Citizen. Particip.						
- Govt. decisions influenced by open debate initiated by:						
- Publ legisl or admin bodies	N/A	N/A	N/A	N/A	N/A	N/A
- Non-Govtl groups	N/A	N/A	N/A	N/A	N/A	N/A
Obj. 7: Impr'd Effic. & Fairness						
No. of Courses for Legislators and Judges	N/A	N/A	N/A	1	0	0
Govt prm to impr elections underway (13)	N/A	N/A	N/A	0	0	0

(*) See Annex M for notes.

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVE:	Support the achievement of broadly-based, sustainable economic growth.
LAC BUREAU SUB-OBJECTIVE:	Encourage increased economic opportunities for the disadvantaged.
MISSION STRATEGIC OBJECTIVE:	Increased socio-economic participation of the lower income groups.
PROJECT TITLE:	Family Planning and Health
PROJECT NUMBER:	517-0259
FUNDING:	FY 93 - $3,450,000 LOP - $15,000,000 (1993-2000)
TYPE OF FUNDING:	Development Assistance (DA) Grant

A. CONSISTENCY OF PROJECT WITH MISSION STRATEGY:

This project will support the Mission's strategic objective stated above by providing "improved access to selected primary health services." The project will expand coverage and improve the quality of family planning services. It will also broaden the health education message and services provided in family planning programs to include maternal child health, basic health and AIDS prevention activities. These services will enable families and individuals to participate more fully in economic development through better health and productivity. The project will also support the nascent Dominican effort for health sector-wide dialogue to achieve a broad consensus of support for sector policies and priorities. The assistance would be largely through short-term technical assistance and donor coordination.

B. RELATIONSHIP TO A.I.D. AND OTHER DONOR ACTIVITIES:

Four health sector projects in population, immunization, child survival, and AIDS prevention have ended or will end soon. This project, which will focus primarily on family planning and related services, represents an important consolidation of the

Mission's health activities. The new project will continue the Mission's strategy to focus efforts in health services delivery in the private and commercial sectors. We will continue our policy dialogue with the government on the issue of establishing a civil service and improved accountability in the provision of public sector health services. We work closely with other donors on these issues, as well as in coordination of service delivery and public health communications efforts. Other donors do provide financial and technical assistance to the government but are distancing themselves from the financing of public sector health services and, as the Mission, focussing on underlying policy issues. This project will be complemented by the PVO Co-Financing Project, which will provide modest grant funding for Dominican NGO initiatives in child survival, AIDS prevention, water and sanitation, and innovative health delivery schemes.

C. RELATIONSHIP OF PROJECT TO OVERALL A.I.D. POLICY OBJECTIVES:

A.I.D.'s overall policy is to assist "nations throughout the world to improve the quality of life and to expand the range of individual opportunities by reducing poverty, ignorance and malnutrition." The project will support this policy through improved access to selected primary health services for lower income groups. This in turn will increase the opportunity for lower income groups to participate in the socio-economic development of the Dominican Republic. In terms of policy dialogue, the project will support a highly participatory process of policy formulation as well as improved accountability of public sector health resources. The project will support Dominican efforts to build a national consensus for sustainable health sector policies and health sector priorities which reflect the most urgent health needs of the population. In addition, this project will continue to stress the importance of democratic processes among health sector NGOs.

D. PROJECT DESCRIPTION:

The project goal will be to improve health status as reflected in selected health indicators related to family planning and health. The purpose will be to improve access to selected primary health services over a seven year period. The major development problems to be addressed are high fertility and poor primary health care that lead to infant and maternal morbidity and mortality and to high population growth that impedes economic development. This new project will focus the Mission's health activities on family planning services and those primary health activities which are closely allied with child spacing. Breastfeeding, control of diarrheal diseases and prevention of HIV transmission will be part and parcel of the messages and services associated with family planning in clinic, community and commercial sector settings. The project will make grants or cooperative agreements to the leading family planning institutions so that they can be the lead agencies in policy, service delivery, training and health communications. In addition, technical assistance services will be provided to these institutions to assist them in their efforts to improve the quality and cost effectiveness of their services.

Assistance will also be provided to support the nascent national dialogue to develop broad consensus on health sector policies and priorities. Technical assistance will also be provided to the GODR to assist efforts to improve accountability for resources in the provision of public sector health services. It is expected that the prevalence of use of modern contraception will increase, as well as proper information to promote breast-feeding, prevention of diarrheal disease, and the prevention of HIV transmission, that will lead to improved health for the citizenry. The project will also finance a significant evaluation and audit program to provide timely information on program impact as well as assure adequate financial oversight of project resources.

Project Financial Plan

Technical Assistance	3,900,000
Training	2,500,000
Commodities	4,000,000
Operational Support	3,900,000
Evaluation and Audit	700,000
Total	$15,000,000

E. PLANNED IMPLEMENTATION ARRANGEMENT

Under a Handbook 3 grant to the Government, sub-grants and subcontracts will be used for the project components described above. It is anticipated that sub-grants or collaborative agreements will be used with non-profit organizations and subcontracts with for-profit types of activities such as social marketing. The T.A. contract will be competed, as well as any commercial sector activities in country.

F. SUSTAINABILITY OF PROPOSED ACTIVITIES

It is expected that certain activities, such as social marketing of contraceptives and oral rehydration salts will become self-sustaining by mid-project. It should be noted that the contraceptive social marketing project was self-sustaining but seed capital has been added under the current project to add new contraceptive products. Health products would be added under the new project once self-sufficiency is re-established. The NGOs may become self-sufficient by the end of the project, but given the lack of government primary health services, there is the possibility that subsidized, low-cost primary health services will still be needed from NGOs for those who cannot otherwise afford them. The NGOs, however, will have a goal of self-sufficiency. The new national public health organization will be financially self-sufficient by project end.

G. MISSION MANAGEMENT ROLE

The project will be managed by the General Development Office with one Direct Hire officer, one FSN professional, one PSC and one full time secretary. The GDO will monitor the T.A. contractor and the Dominican NGOs.

H. POTENTIAL ISSUES AND/OR INNOVATIVE PROGRAM APPROACHES

The new national public health association may require a significant amount of time to begin activities and garner broad-based support from the entire health sector. Moreover, a past attempt to establish such an organization failed as a result of political problems, problems that could be repeated despite efforts to forestall them. Should the organization begin to function well, its objectives will be difficult to attain: establishing national health norms and providing a means of enforcement, advising health education institutions on curricula, and establishing national health priorities. While this association faces many obstables, it appears to be gaining the necessary broad-based support and merits support.

Table 5: ROLE OF PROPOSED NEW INITIATIVES IN ACHIEVING USAID PROGRAM LEVEL OBJECTIVES

Country: DOMINICAN REPUBLIC

Proposed New
Project and Program: SUSTAINING NATURAL RESOURCES PROJECT

Number: 517-0266

Activities	Program Outputs	Strategic Objective
1. Technical assistance to strengthen policy and institutional capabilities.	a. Improve capacity of PVOs/NGOs to promote environmentally sound water management policies and practices.	– Increased availability of water needed for sustained economic development.
2. Studies and seminars to achieve policy reform to improve existing policies (and laws supporting them).	2. Improve quantity, quality and distribution of water in selected areas. 3. Improve policy and enforcement climate to manage water resources.	
3. Short-term international and local leadership training to improve and reinforce private and public organizations.		
4. Financial assistance to carry out selected projects in the built and natural environments, and to establish self supporting mechanisms to finance endowment funds, such as debt-for-nature swaps and taxes on "commons-like" resources, such as national parks.		

NEW PROJECT DESCRIPTION

LAC Objective:	Support the achievement of broadly-based, sustainable economic growth.
LAC Sub-Objective:	Encourage preservation and sustainable use of the natural resource base.
Mission Strategic Objective:	Increased Availability of Water Needed for Sustained Economic Development.
PROJECT TITLE:	Sustaining Growth through Natural Resource Management
PROJECT NUMBER:	517-0266
PROJECT FUNDING:	FY 93 - $ 3,000,000 LOP - $20,000,000 (1993-2003)
FUNDING TYPE:	Development Assistance (DA) - Grant

A. CONSISTENCY OF PROJECT WITH MISSION STRATEGY.

The project fully supports the Mission strategic objective of concentrating on increasing availability of water needed for sustained economic development. It recognizes that mismanagement of natural resources in the Dominican Republic is accelerating deforestation, eroding watersheds, and allowing farm chemicals and industrial wastes into aquifers, thus degrading the quantity and quality of underground, surface and coastal waters. The approved CDSS acknowledges that these trends constitute major obstacles to economic growth and to an improved quality of life in the Dominican Republic. The project will seek to improve the country's private and public policy, institutional capacity, and political will, to enforce measures to protect the country's scarce water resources.

B. RELATIONSHIP TO A.I.D. AND OTHER DONOR ACTIVITIES

The project complements past and present USAID projects as well as those of other donors. AID's work in irrigation and management of coastline agricultural areas is one of the most successful in the region, often serving as a model for other countries.

The On-Farm-Water-Management-Project is consolidating its democratic initiative activities, especially its work with community-controlled irrigation boards. That work serves as an excellent springboard to support a new project focusing on watersheds and coastal zones endangered by built environments. The proposed project will also complement environmental projects being initiated under the PVO Co-Financing Project, which encourages NGO participation in natural resource management through a series of small pilot sub-projects, such as the National Forest Investment Project (FIRENA). Beginning in FY 94 the project will directly complement the local-currency-supported environmental protection program expected to be created by monetizing the Title II program resources.

Although a number of other donors support environmental activities in the Dominican Republic, none propose significant work on sustainable water resources. Recent surveys of other-donor projects in natural resources also demonstrates that a USAID focus on water would provide a much-needed common thread to tie together present disparate activities in the environmental arena.

C. RELATIONSHIP OF PROJECT TO OVERALL A.I.D. POLICY OBJECTIVES

The Sustaining Growth through Natural Resources Management Project directly addresses the targets of Sections 118 and 119 of the Foreign Assistance Act by encouraging policy reforms which will improve protection of the country's remaining tropical forests, ecosystems and bio-diversity and portions of the built environment adversely affecting the natural environment. The project will emphasize private sector involvement in policy reform and implementation of water management and related activities through indigenous PVOs.

D. PROJECT DESCRIPTION

The goal of the project will be to protect, conserve and effectively manage the country's water resources to sustain economic activities and promote growth. Three program outputs will contribute to attainment of the goal: (1) improving the capacities of PVOs/NGOs to promote environmentally sound water management policies and practices; (2) improving the quantity, quality and distribution of water in selected sites and (3) improving policy and enforcement climates needed to manage water resources efficiently. Integrated watershed management will be the project's key tool for achieving this goal.

The purpose of the project is to support Dominican initiatives to develop the knowledge, programs and institutions, public and private, to enable them to achieve water self-sufficiency. Directing this project toward resolution of problems surrounding watersheds and coastal zones (both locally recognized as highly important) will provide a concrete setting for institutional and policy improvement. Institutions will work to improve their performance in the following areas: problem identification, policy analysis and reform, water management, and long-term planning. Project components will include educational activities, data gathering, building public awareness and watershed management in a number of selected watersheds and coastal zones. Specific efforts will be made to increase the understanding of donors, the GODR and Dominican NGOs and private business groups as to how they can better coordinate economic development and water improvement policies and activities at particular sites. National, regional and international human resources will be drawn upon to solve common problems in rural, urban and coastal zones.

E. PLANNED IMPLEMENTATION ARRANGEMENTS AND PROCUREMENT MECHANISM

Because of the composite nature of watersheds, no single public or private agency can plan or manage a watershed completely. Although overall responsibility will rest with one organization, likely a local PVO or NGO with ties to international environmental groups, many community-based agencies will implement selected, integrated, watershed programs. The coordinating PVO/NGO will work closely with prominent leaders of industry, agriculture and the public sector to promote changes in policies governing the quality, production, distribution and pricing of water. This organization will work with a wide variety of groups, including the State Electric Corporation, private hydro-electrical firms, the National Irrigation Institute, municipal governments and approximately 25 NGOs/PVOs currently active in water conservation. There will be close joint and coordinated planning but decentralized implementation at specific sites.

The collaborative contracting mode will be used to initiate the project in two phases - the first phase will focus on coordinated planning and the second phase will consist of decentralized implementation in selected watersheds. The two phased approach will ensure wide community participation from the outset and help ensure smooth implementation of activities to increase water production and distribution. This approach is essential because of the numerous public and private groups having responsibilities of water management in the Dominican Republic.

F. SUSTAINABILITY OF PROPOSED ACTIVITY

In areas selected for watershed management activities the project will support a highly participatory approach to establish water sustainability policies that are appropriate to the ecological, economic and social conditions of local site as well as the

country. As such they will have a much greater chance of being implemented and followed. In addition, the project will seek to establish financing mechanisms that will provide long-term support to the organizations that will ensure continuing water supplies. The reforestation law, for example, will be revised to make it both effective and financially sustainable by generating funds for new environmental investments. This will insure the long run sustainability of the individual organizations and the water system.

G. MISSION MANAGEMENT ROLE

The project will be administered in the Trade and Investment Office and will be managed by a FSN Project Officer. The project will also fund an institutional technical assistance package which will maintain a local project management unit.

H. POTENTIAL ISSUES

The success of this Project will depend upon the GODR's implementation of policy recommendations stemming from both donors and the private sector. Such changes would include: (1) enabling the participation of private organizations in the management and control of national parks, coastal zones, watersheds and similar areas of common good, such man-made tourist attractions; (2) increasing local autonomy and democratic decision-making regarding uses of regional and/or municipal public lands; and (3) promote a market environment to enable the growth and development of economically viable activities which are consistent with the sustained use of watersheds and coastal zones.

Table 5: ROLE OF PROPOSED NEW INITIATIVES IN ACHIEVING USAID PROGRAM LEVEL OBJECTIVES

Country: DOMINICAN REPUBLIC

Proposed New
Project and Program: EXPANSION & INTEGRATION OF TRADE & INVESTMENT

Number: 517-0267

Activities	Program Outputs	Strategic Objective
1. Support for policy modifications necessary for full EAI participation.	a. Market-oriented Economic Policies and appropriate legal, regulatory, and judicial reforms adopted and maintained.	– Increased and more diversified external trade.
2. Support for LRJ reforms		
3. Support for programs aimed at equitable treatment of workforce.		
1. Support for programs to assist producers to improved competitiveness/ productivity.	b. Increased export capacity of Dominican firms.	
2. Support for activities to improve the regulatory environment, and key components of physical infrastructure.	a. Increased reliability and availability of competitively priced energy.	

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVE:	Support the achievement of broadly-based, sustainable economic growth.
LAC BUREAU SUB-OBJECTIVE:	Encourage economic policies that promote investment, productive employment and outward-oriented diversification.
MISSION STRATEGIC OBJECTIVE:	Increased and Diversified External Trade.
PROJECT TITLE:	Expansion and Integration of Trade and Investment (EITIP)
PROJECT NUMBER:	517-0267
PROJECT FUNDING:	FY '93 - $2,325,000 LOP - $17,000,000 (1993-2003)
FUNCTIONAL ACCOUNT:	Development Assistance (DA) Grant

A. CONSISTENCY OF PROJECT WITH MISSION STRATEGY:

The proposed project fully supports the Mission Strategic Objective No. 1 - Increased and Diversified External Trade -, as the project outputs will contribute toward the attainment of the Program Outputs of market oriented economic policies and regulatory reforms and increased export production capability of Dominican firms.

B. RELATIONSHIP TO A.I.D. AND OTHER DONOR ACTIVITIES:

This project will build upon successes attained by previous mission projects. It will complement the Industrial Linkages Project by addressing legal, regulatory, and judicial constraints to increased external trade. The principal implementing agencies will be private sector organizations, many of which were established and/or strengthened under previous projects and are now in position to mount further significant development efforts on their own. The project will also provide support to the GODR to streamline trade related procedures. The project will be the principal element under which the

Mission's Strategic Objective - Increased and Diversified External Trade- will be actualized.

C. RELATIONSHIP OF PROJECT TO OVERALL A.I.D. POLICY OBJECTIVES:

This project is consistent with Bureau and Mission policy and strategic objective by working with the private sector to achieve broad-based sustainable economic growth. The project will encourage the adoption of economic policies that promote investment, productive employment and export-led diversification and will encourage a vigorous response by the private sector to a favorable environment.

D. PROJECT DESCRIPTION:

The Project Goal is to increase productive employment in the external trade sector from 200,000 to 600,000, and the Project Purpose is to assist producers in the D.R. significantly to expand and diversify industrial and agricultural production intended for export.

Major Development Problem Addressed by the Project

This project addresses the problem that, despite impressive gains made over the past several years in the areas of Free Trade Zones (FTZ) manufacturing and tourism, the great majority of the D.R.'s rapidly growing population is still forced to attempt to scratch out a living through subsistence agriculture and/or low-wage employment. Starting from a base of near zero only 15 years ago, employment in the non-traditional export sectors has grown to a current level of almost 200,000 jobs. To meet needs for productive employment, this figure will have to approach 600,000 by the end of the century. Major interrelated components of any long-term solution to this problem are: a) the substantial expansion of exports from the D.R., and b) the more effective integration of the D.R.'s productive capabilities with the needs of North American (particularly U.S.) markets. Both of these two objectives would be substantially advanced through full participation of the D.R. in the programs and activities envisioned under the Enterprise for the America's Initiative (EAI).

This is the third of a triad of projects which interrelatedly address major social and economic issues which will confront the Dominican Republic in the ensuing decade. The first two, Democratic Initiatives Project and Economic Policy Project are intended to adjust elements of the social framework which are necessary for the effective functioning of a free, just and open society and to advance free market policies which are necessary for the open and efficient use of the national economic endowment. This project is intended to assist the Dominican business community to respond effectively to free market policies and in so doing contribute to the maintenance of a stable and prosperous society. It will concentrate on the attainment of three critical conditions which will be

required for successful Dominican participation in increasingly competitive external markets:

1) the creation of effective legal and regulatory environments in which business can be transacted with confidence and security.

2) the removal of administrative and structural market distortions, e.g., those caused by government participation in productive activities;

3) the improvement of productivity of potentially competitive firms; and

Activities

The attainment of these conditions will be advanced by the following project-supported activities:

1. Support for efforts evaluation and revision of the current Commercial Code(s), and to evaluate and revise, as necessary, the procedures and mechanisms through which the Code(s) are enforced. Support for creation of public awareness of the obligations and rights under the Codes and for creation of an environment of open enforcement. Training for administrators, judicial and commercial law practitioner officials and private sector association representatives in the application of Code provisions;

2. Support for the design and implementation of a program of privatization of GODR-owned production facilities and for adjustment of GODR regulations and practices which impede the flow of goods and services or distort prices.

3. Support adjustment of the legal and regulatory provisions which impede capital flows, for facilitating financial infrastructure, such as venture capital market development; pension funds; employee stock ownership plans (ESOPs); commodity markets; export insurance and export guarantee systems.

4. Support for the improvement of the productivity of Dominican firms, for introduction of new and competitive technologies, and for environmentally sound productive practices.

PROJECT FINANCIAL PLAN (US$000)

	A.I.D.
Technical Assistance	8,000
Commodities	300
Operational Support	6,500
Evaluation/Audit	700
Training	1,500
Totals	17,000

E. PLANNED IMPLEMENTATION ARRANGEMENT AND PROCUREMENT MECHANISMS:

The project's principal implementing agency and grantee will be a private sector business association which: a) represents a broad spectrum of the Dominican business/industrial community; b) shares AID's views as to the importance of free trade and market-oriented policies; and c) already has the administrative capability needed to manage the project largely in place. Several Dominican business associations seem to meet these criteria, and identification of the most suitable one will be a task of the project designers. Sub-grants will be provided by the implementing agency to a few other organizations (i.e. the Dominican Agribusiness Council - JAD, the Association of Industries of the D.R. - AIDR, the American Chamber of Commerce - AMCHAM, the International Executive Service Corps - IESC) to assist those organizations to carry out activities and programs mentioned above. Following a competition, an AID-direct contract will be issued to a U.S. firm for technical assistance in all project areas.

F. SUSTAINABILITY OF PROPOSED ACTIVITIES:

This project aims, through an intensive and concentrated effort, to bring about a situation wherein the number of enterprises involved in external trade (both within and without the FTZs) is so sizable that the "critical mass" necessary to assure continued growth of the sector, without the need for extraordinary interventions from A.I.D. or other donors, will be in place. The establishment of a sound legal, regulatory, and judical environment for business will of itself assure sustainability of project activities, as will the productivity enhancement of Dominican firms. As such, sustainability of the institutions and organizations implementing the project, or the development of their continuing capability to carry out all activities and programs contemplated under the project is not a primary concern. Continuing the progress they have made under previous projects in enhancing their capabilities to support their basic programs and satisfy basic requirements of their clienteles, the project does anticipate that the

implementing agencies may be generating sufficient funds to meet 1/4 - 1/3 of the costs of the project.

G. MISSION MANAGEMENT ROLE

The project will be administered in the Trade and Investment Division, and will be managed by one US Direct Hire Officer.

H. ISSUES TO BE ADDRESSED DURING PROJECT DESIGN.

Significant issues include: relationships and interaction between the principal implementing agencies, and relative contributions of financial resources from different project participants.

Table 5: ROLE OF PROPOSED NEW INITIATIVES IN ACHIEVING USAID PROGRAM LEVEL OBJECTIVES

Country: DOMINICAN REPUBLIC

Proposed New
Project and Program: EXPANSION & INTEGRATION OF TRADE & INVESTMENT

Number: 517-0267

Activities	Program Outputs	Strategic Objective
1. Support for policy modifications necessary for full EAI participation.	a. Market-oriented Economic Policies and appropriate legal, regulatory, and judicial reforms adopted and maintained.	– Increased and more diversified external trade.
2. Support for LRJ reforms		
3. Support for programs aimed at equitable treatment of workforce.		
1. Support for programs to assist producers to improved competitiveness/ productivity.	b. Increased export capacity of Dominican firms.	
2. Support for activities to improve the regulatory environment, and key components of physical infrastructure.	a. Increased reliability and availability of competitively priced energy.	

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVES:

1. Support the achievement of broadly-based sustainable economic growth.
2. Support the evolution of stable, participatory democratic societies.

LAC BUREAU SUB-OBJECTIVES:

1.A. Encourage economic policies that promote investment, productive employment and outward-oriented diversification; and

2.B. Strengthen public participation in democratic process.

MISSION STRATEGIC OBJECTIVES:

1. Increased and Diversified External Trade.
2. Increased Socio-economic Participation of the Lower Income Groups.
3. Participatory Democratic Reform.
4. Increased Availability of Water Needed for Sustained Economic Development.

PROJECT TITLE: Development Training II

PROJECT NUMBER: 517-0268

FUNDING: FY 94 - $1,000,000
LOP - $18,000,000 (1994-2002)

TYPE OF FUNDING: Development Assistance (DA) Grant

A. CONSISTENCY OF PROJECT WITH MISSION STRATEGY:

This project will support the Mission's strategic objectives through the provision of long-term, short-term and in country training in areas that are key to the attainment of the objectives.

B. RELATIONSHIP TO A.I.D. AND OTHER DONOR ACTIVITIES:

The project will directly relate to other A.I.D. activities in that it will train the human

resources that are identified by other activities or are required for the support of those activities. It will not be related to other donor activities.

C. RELATIONSHIP OF PROJECT TO OVERALL A.I.D. POLICY OBJECTIVES:

The project will be able to support A.I.D. policy objectives in all areas.

D. PROJECT DESCRIPTION:

The project goal will be to improve the human resource base required for broad-based and sustainable economic growth within a democratic environment. The project purpose will be to improve the efficiency and productivity of the private and public institutions supportive of USAID's strategy by providing training to Dominicans already employed. The project will provide masters level, short-term and in-country training to employees of private and public institutions supportive of USAID's strategy. Participant training will be offered primarily in the U.S. with a limited amount of training in third countries. In-country training will be conducted by local training institutions, assisted by project funded U.S. technical assistance, if necessary.

E. PLANNED IMPLEMENTATION ARRANGEMENT

The project will be implemented over an eight year period through one or two local implementing agencies (grantees). The local agencies will be responsible for publicizing the availability of and assessing the demand for training, selecting courses and candidates, and preparing preliminary documentation for the USAID training office which will be responsible for the processing, placement and monitoring of participants.

F. SUSTAINABILITY OF PROPOSED ACTIVITIES

Providing training to employed professionals constitutes one of the most sustainable activities in which A.I.D. engages. The Dominican Republic has a participant return rate of over 98 percent, and, not only are participants required to return to their home country to work for a period of two years, but the great majority remain in the country for the rest of their working lives.

G. MISSION MANAGEMENT ROLE:

The project will be managed by the General Development Office with one Direct Hire officer, one PSC, two participant training specialists, one participant training clerk and one part-time secretary.

H. POTENTIAL ISSUES AND/OR INNOVATIVE PROGRAM APPROACHES. None.

Table 5: ROLE OF PROPOSED NEW INITIATIVES IN ACHIEVING USAID PROGRAM LEVEL OBJECTIVES

Country: DOMINICAN REPUBLIC

Proposed New Project and Program: DEVELOPMENT TRAINING II

Number: 517-0268

Activities	Program Outputs	Strategic Objective
1. The provision of masters degree, short-term and in-country training to Dominicans employed by private and public institutions supportive of USAID's strategy.	a. Increased export production capability of Dominicans firms	– Increased and diversified external trade.
	b. Policy and regulatory reform.	– Participatory democratic reform.
	c. Improved primary educational services.	– Increased socio-economic participation of the lower-income groups.
	d. Improved access to health services.	

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVE: Support the achievement of broadly based, sustainable economic growth.

SUB-OBJECTIVE: Encourage economic policies that promote investments, productive employment and outward oriented diversification.

MISSION STRATEGIC OBJECTIVE: Increased and diversified external trade.

PROGRAM TITLE: Investment and Trade Expansion Program PAAD Amendment.

PROGRAM NUMBER: 517-0263

FUNDING/TYPE: ESF

The Mission is proposing a $15 million ESF program for FYs 92, 93 and 94. The PAAD submitted in FY 92 covers only the FY 92-93 program years, at a $5 million annual level. In FY 94, a new PAAD will be submitted for the last $5 million increment.

By 1994, the Mission proposes to expand its focus of conditionality to include not only the GODR's continued adherence to its stabilization program, but also its continued adherence to its structural adjustment program carried out either by itself or with help from one of the multilateral institutions. Conditionality for the structural adjustment program will emphasize policy changes that lead to a more transparent set of rules and regulations that affect business transactions -- the so-called enabling environment. The reform of the Customs process will likely be a key element 'in the proposed ESF program.

The ESF program is a key element of the USAID's strategy of supporting sustained macroeconomic policy implementation and removing constraints in key economic sectors to encourage growth with equity. With emphasis on aiding the establishment of market based policies in a private sector environment, the program is consistent with the Mission Strategic Objective of Increased and Diversified Trade and naturally relates to the policy objectives concerning the more efficient production of energy and the increased understanding of, and participation in the democratic process.

Table 5: ROLE OF PROPOSED NEW INITIATIVES IN ACHIEVING USAID PROGRAM LEVEL OBJECTIVES

Country: DOMINICAN REPUBLIC

Proposed New
Project and Program: INVESTMENT AND TRADE EXPANSION PROGRAM PAAD

Number: 517-0263

Activities	Program Outputs	Strategic Objective
1. Support Internationally sanctioned stabilization policy reforms and structural adjustment reforms.	a. Market oriented economic policy and regulatory reforms adopted and maintained.	– Increased and diversified external trade.
2. Support for programs aimed at equitable treatment of workforce		
1. Support for improving regulation of energy sector.	b. Increased availability and reliability of competitively priced energy.	

FY93-94 ACTION PLAN BUDGET
FY 92 - FY 94
(US $000)

APPROPRIATION ACCOUNT PROJECT NO. & TITLE	LOP	CUM.OBLIG THRU FY91	END-YEAR MORTG.	FY 92	END-YEAR MORTGAGE	FY 93	END-YEAR MORTGAGE	FY 94	END-YEAR MORTGAGE
AGRICULTURE, RURAL DEV. AND NUTRITION									
0000 Project Development & Support	N/A	11,058		250		250		250	
0243 Univ.Agribusiness Partnership	12,000	6,506	5,494	800	4,694	1,500	3,194	1,210	1,984
0247 PVO Co-Financing	4,000	2,100	1,900	0	1,900	950	950	950	0
0254 Micro-enterprise Development	1,950	1,140	810	698	112	112	0	0	0
0266 Sustaining Natural Resources	20,000	0	0	0	0	3,000	17,000	3,500	13,500
	37,950	20,804	8,204	1,748	6,706	5,812	21,144	5,910	15,484
FY 1992 - 517 REOBS				1,887					
POPULATION PLANNING									
0000 Project Development & Support	N/A	643		50		50		50	
0229 Family Planning Services	6,950	5,450	1,500	1,500	0	0	0	0	0
0247 PVO Co-Financing	350	0	0	350	0	0	0	0	0
0259 Family Planning and Health	10,000	0	0	0	0	2,450	7,550	2,450	5,100
Subtotal	17,300	6,093	1,500	1,900	0	2,500	7,550	2,500	5,100
HEALTH									
0000 Project Development & Support	N/A	1,922		150		150		150	
0247 PVO Co-Financing	4,000	2,853	1,147	150	997	450	547	0	547
Subtotal	4,000	4,775	1,147	300	997	600	547	150	547
FY 1992 - 517 REOBS				232					
AIDS									
0247 PVO Co-Financing	850	0	0	850	0	0	0	0	0
0259 Family Planning and Health	2,000	0	0	0	0	500	1,500	400	1,100
Subtotal	2,850	0	0	850	0	500	1,500	400	1,100

APPROPRIATION ACCOUNT PROJECT NO. & TITLE	LOP	CUM.OBLIG THRU FY91	END-YEAR MORTG.	FY 92	END-YEAR MORTGAGE	FY 93	END-YEAR MORTGAGE	FY 94	END-YEAR MORTGAGE
CHILD SURVIVAL									
0239 CHILD SURVIVAL	1,962	1,707	255	255	0	0	0	0	0
0247 PVO Co-Financing	1,565	0	0	1,565	0	0	0	0	0
0259 Family Planning and Health	3,000	0	0	0	0	500	2,500	500	2,000
Subtotal	6,527	1,707	255	1,820	0	500	2,500	500	2,000
EDUCATION & HUMAN RESOURCES									
0000 Project Development & Support	N/A	1,672		150		150		150	
0216 Development Training	9,950	9,861	89	89	0	0	0	0	0
0251 Private Primary Education	5,500	1,864	3,636	1,017	2,619	1,259	1,360	1,360	0
0268 Development Training II	18,000	0	0	0	0	0	0	1,500	16,500
Subtotal	33,450	13,397	3,725	1,256	2,619	1,409	1,360	3,010	16,500
FY 1992 – 517 REOBS				22					
PRIVATE SECTOR, ENERGY AND ENVIRONMENT									
0000 Project Development & Support	N/A	4,539		500		500		500	
0190 Export & Investment Promotion	8,100	7,319	781	0	781	0	0	0	0
0237 Debt Conversion	3,500	2,900	600	0	600	600	0	0	0
0247 PVO Co-Financing	1,500	1,262	238	0	238	238	0	0	0
0252 Industrial Linkages	5,000	4,400	600	600	0	0	0	0	0
0254 Micro-enterprise Development	5,300	4,855	445	209	236	236	0	0	0
0262 Economic Policy & Practices	6,000	0	0	850	5,150	1,000	4,150	1,250	2,900
0265 Democratic Initiatives	9,000	0	0	1,000	8,000	1,000	7,000	1,500	5,500
0267 Trade & Investment Expansion	17,000	0	0	0	0	2,325	14,675	1,500	13,175
Subtotal	55,400	25,275	2,664	3,159	15,005	5,899	25,825	4,750	21,575
FY 1992 – 517 REOBS				49					
TOTAL DA	157,477	72,051	17,495	11,033	25,327	17,220	60,426	17,220	62,306
FY92 REOBS				2,190					

APPROPRIATION ACCOUNT PROJECT NO. & TITLE	LOP	CUMULATIVE THRU FY91	MORTG	FY 92	MORTGAGE	FY 93	MORTGAGE	FY 94	MORTGAGE
A. CONTROL LEVELS				11,033		17,220		17,220	
B. ONGOING PROJECTS	72,477	72,051	17,495	9,183	12,177	6,445	6,051	4,620	2,531
0000 Project Development & Support	0	19,834	0	1,100	0	1,100	0	1,100	0
0190 Export & Investment Promotion	8,100	7,319	781	0	781	0	0	0	0
0216 Development Training	9,950	9,861	89	89	0	0	0	0	0
0229 Family Plan. Services Expan. I	6,950	5,450	1,500	1,500	0	0	0	0	0
0237 Debt Conversion	3,500	2,900	600	0	600	600	0	0	0
0239 Child Survival	1,962	1,707	255	255	0	0	0	0	0
0243 Univ.Agribusiness Partnership	12,000	6,506	5,494	800	4,694	1,500	3,194	1,210	1,984
0247 PVO Co-Financing	12,265	6,215	3,285	2,915	3,135	1,638	1,497	950	547
0251 Private Primary Education	5,500	1,864	3,636	1,017	2,619	1,259	1,360	1,360	0
0252 Industrial Linkages	5,000	4,400	600	600	0	0	0	0	0
0254 Micro-enterprise Development	7,250	5,995	1,255	907	348	348	0	0	0
C. NEW STARTS	85,000	0	0	1,850	13,150	10,775	54,375	12,600	59,775
0259 Family Planning and Health	15,000	0	0	0	0	3,450	11,550	3,350	8,200
0262 Economic Policy & Practices	6,000	0	0	850	5,150	1,000	4,150	1,250	2,900
0265 Democratic Initiatives	9,000	0	0	1,000	8,000	1,000	7,000	1,500	5,500
0266 Sustaining Natural Resources	20,000	0	0	0	0	3,000	17,000	3,500	13,500
0267 Trade & Investment Expansion	17,000	0	0	0	0	2,325	14,675	1,500	13,175
0268 Development Training II	18,000	0	0	0	0	0	0	1,500	16,500
D. TOTALS (B+C)	157,477	72,051	17,495	11,033	25,327	17,220	60,426	17,220	62,306

* PD&S account has no LOP data, what accounts for the difference is the mortgage column.