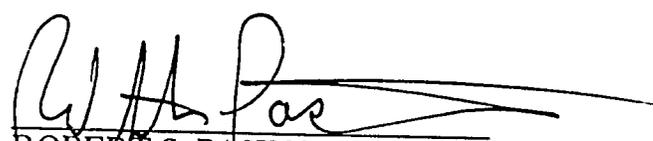
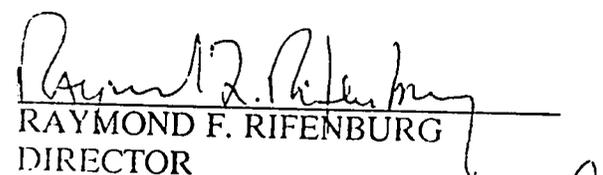


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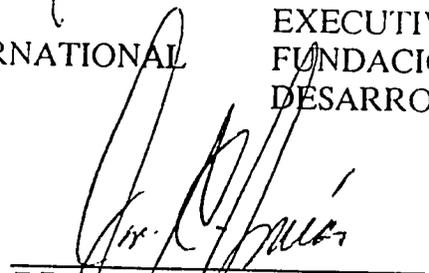
GRANT NO. 517-0247-G-00-3036-00
FUNDACION DOMINICANA DE DESARROLLO


ROBERT S. PASTORINO
AMBASSADOR
UNITED STATES OF AMERICA


CESAR ARMENTEROS IGLESIAS
PRESIDENT
FUNDACION DOMINICANA DE
DESARROLLO


RAYMOND F. RIFENBURG
DIRECTOR
U.S. AGENCY FOR INTERNATIONAL
DEVELOPMENT


EDUARDO LATORRE
EXECUTIVE DIRECTOR
FUNDACION DOMINICANA DE
DESARROLLO


DR. JOSE CARLOS ISAIAS
TECHNICAL SECRETARY
OF THE PRESIDENCY

DATE 12/17/92

CONFORMED COPY

U. S. AID MISSION TO DOMINICAN REPUBLIC

AMERICAN EMBASSY, P. O. Box 22201
SANTO DOMINGO, DOMINICAN REPUBLIC

FOR U. S. CORRESPONDENTS:
U. S. AID MISSION
APO MIAMI 34041-0008

December 17, 1992

Mr. Eduardo LaTorre
Executive Director
FUNDACION DOMINICANA DE DESARROLLO
FDD
Calle Mercedes No. 4, Zona Colonial
Santo Domingo, DR

Subject: Grant No. 517-0247-G-00-3036-00

Dear Mr. LaTorre:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Fundación Dominicana de Desarrollo (hereby referred to as FDD or "Recipient") the sum of \$816,206 to channel training opportunities to microproducers in the rural and urban areas of 22 provinces and the national district, as more fully described in the Schedule of this grant and the Attachment 2, entitled "Program Description."

This Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on December 18, 1992 and ending August 30, 1996.

This Agreement is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, in Attachment 1 entitled "Schedule," Attachment 2 entitled "General Project Description," and Attachment 3 entitled "Standard Provisions for Non-U.S., NonGovernmental Grantees".

Please sign the Statement of Assurance of Compliance with Laws and Regulations Concerning Nondiscrimination in Federally Assisted Programs, the Clause 52.223-5, Certification Regarding A Drug-Free Workplace, enclosed herein, and all copies of this letter to acknowledge your receipt and acceptance of the conditions under

CONFORMED COPY

which these funds have been granted and return all but one copy to A.I.D.

Sincerely,

Martin F. Napper
Martin F. Napper
Agreement Officer

Attachments:

- Assurance of Compliance
 - Clause 52.223-5
1. Schedule
 2. Program Description
 3. Mandatory Standard Provisions for Non-U.S., Nongovernmental Grantees, dated March 30, 1989
 4. Required as applicable for Non-US, Non-Governmental Grantees, January 1, 1987
 5. Special Provisions (includes Assurance of Compliance and Drug Free Workplace Certifications)

ACKNOWLEDGED:

FUNDACION DOMINICANA DE DESARROLLO (FDD)

BY: *[Signature]*
 TITLE: Executive Director
 DATE: 17 December 1982

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FISCAL DATA

Appropriation: 72-1101021 Earmark Control No. D200141
Budget Plan code: LDSA-90-25517-KG13
PIO/T No.: 517-0247-3-20028
Grant No.: 517-0247-G-00-3036-00
Total Estimated Amount: \$816,206
Total Obligated Amount: \$816,206
Funding Source: USAID/DR
Project Office: USAID/GDO

FUNDS AVAILABLE	
<i>YJP</i>	
Initial <i>YJP</i>	12/16/92

Clearances:

PStruharik/GDO: *YJP* Date: 12/16/92
RMangrich/GDO: *YJP* Date: 12/16/92
WButler/CON: *YJP* Date: 12/16/92
MNapper/RCO: *YJP* Date: 12/16/92

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ATTACHMENT 1

SCHEDULE

A. PURPOSE OF THE GRANT

The purpose of the project is to offer training opportunities to low income, rural and urban microproducers, in 22 provinces and in the National District, in order to increase their capacity to generate employment, enhance their managerial skills, and improve living conditions for their families and dependents.

B. PERIOD OF THE GRANT

1. The effective date of this Grant is December 18, 1992. The project Assistance Completion Date (PACD) is August 30, 1996. This Grant will expire on that date unless the PACD is extended for an additional four months. A no cost amendment would then be issued to extend the Grant by four months.

C. AMOUNT OF THE GRANT AND PAYMENT

1. A.I.D. hereby obligates the amount of Eight Hundred Sixteen Thousand Two Hundred and six United States Dollars (\$816.206) for the purpose of this grant.

2. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 4 "Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Grantees, Payment - Periodic Advance".

D. FINANCIAL PLAN

The following is the grant Budget. Revisions to this budget shall be made in accordance with the Standard Provisions of this Grant entitled "Revision of Grant Budget."

The Grantee may make adjustments between line items of up to 15% of any line item without the prior written approval of the Grant Officer. Approval beyond 15%, if given, will be via formal amendment to the Grant. In no event may the Grantee exceed the total estimated cost of the Grant nor the total estimated cost for any given year without the prior written approval of the Grant Officer.

Note that the exchange rate used to compute all local currency budgets is RD\$12.50 to US\$1.00. THE GRANTEE WILL NOT EXCEED THE U.S. DOLLAR AMOUNT NOR THE LOCAL CURRENCY AMOUNT.

Illustrative Budget

Illustrative Budget
 U. S. Dollar
 Year 1

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	25,112.22	33,035.12	
1.2 Adiestramiento	106,666.56	14,472.15	23,582.79
1.3 Ayudas Didacticas	6,072.51	2,024.17	
1.4 Evaluaciones			
Sub-total.....	137,851.29	49,531.44	23,582.79
2.0 ASISTENCIA TECNICA			
2.1 Personal	1,078.91	29,551.84	
2.2 Asesorias	4,903.92		
2.3 Evaluaciones	945.00		
Sub-total.....	6,927.83	29,551.84	0.00
3.0 GASTOS OPERATIVOS			
3.1 Personal	5,787.22	12,890.23	
3.2 Adiest. Personal	35,979.93	3,997.77	
3.3 Materiales y Sum.	2,745.86		
3.4 Transporte	14,534.94		
3.5 Viaticos	13,305.60		
3.6 Auditorias	5,250.00		
3.7 Promoc. y Public.	1,680.00		
3.8 Apoyo Ger. y Adm.	25,741.13		
Sub-Total	105,024.68	16,888.00	0.00
4.0 INVERSIONES			
4.1 Equipos	16,592.60		
4.2 Acondic. local	32,550.00		
Sub-total.....	49,142.60		
TOTALES	298,946.40	95,971.28	23,582.79

Illustrative Budget
 Local Currency
 Year 1

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	313,903	412,939	
1.2 Adiestramiento	1,333,332	180,902	294,785
1.3 Ayudas Didacticas	75,906	25,302	
1.4 Evaluaciones			
Sub-total.....	1,723,141	619,143	294,785
2.0 ASISTENCIA TECNICA			
2.1 Personal	13,486	369,398	
2.2 Asesorias	61,299		
2.3 Evaluaciones	11,813		
Sub-total.....	86,598	369,398	0
3.0 GASTOS OPERATIVOS			
3.1 Personal	72,340	161,128	
3.2 Adiest. Personal	449,749	49,972	
3.3 Materiales y Sum.	34,323		
3.4 Transporte	181,687		
3.5 Viaticos	166,320		
3.6 Auditorias	65,625		
3.7 Promoc. y Public.	21,000		
3.8 Apoyo Ger. y Adm.	321,764		
Sub-Total	1,312,808	211,100	0
4.0 INVERSIONES			
4.1 Equipos	207,408		
4.2 Acondic. local	406,885		
Sub-total.....	614,293		
TOTALES	3,736,840	1,199,641	294,785

Illustrative Budget
 U.S. Dollar
 Year 2

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	24,099.62	37,730.94	
1.2 Adiestramiento	96,355.41	15,458.98	
1.3 Ayudas Didacticas	4,048.34	4,048.34	42,775.43
1.4 Evaluaciones	5,040.00		
Sub-total.....	129,543.37	57,238.26	42,775.43
2.0 ASISTENCIA TECNICA			
2.1 Personal	791.20	16,846.91	16,055.71
2.2 Asesorías	4,903.92		1,225.98
2.3 Evaluaciones	945.00		
Sub-total.....	6,640.12	16,846.91	17,281.69
3.0 GASTOS OPERATIVOS			
3.1 Personal	4,243.96	16,301.24	
3.2 Adiest. Personal	20,070.67	2,230.07	
3.3 Materiales y Sum.	2,745.86		
3.4 Transporte	13,222.44		
3.5 Viaticos	13,305.60		
3.6 Auditorias	5,250.00		
3.7 Promoc. y Public.	1,680.00		
3.8 Apoyo Ger. y Adm.	26,789.89		
Sub-Total	87,308.42	18,531.31	
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....			
TOTALES	223,491.91	92,616.48	60,057.12

Illustrative Budget
 Local Currency
 Year 2

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	301,245	471,637	
1.2 Adiestramiento	1,204,443	193,237	
1.3 Ayudas Didacticas	50,604	50,604	534,693
1.4 Evaluaciones	63,000		
Sub-total.....	1,619,292	715,478	534,693
2.0 ASISTENCIA TECNICA			
2.1 Personal	9,890	210,586	200,696
2.2 Asesorías	61,299		15,325
2.3 Evaluaciones	11,813		
Sub-total.....	83,002	210,586	216,021
3.0 GASTOS OPERATIVOS			
3.1 Personal	53,050	203,766	
3.2 Adiest. Personal	250,883	27,876	
3.3 Materiales y Sum.	34,323		
3.4 Transporte	165,281		
3.5 Viaticos	166,320		
3.6 Auditorias	65,625		
3.7 Promoc. y Public.	21,000		
3.8 Apoyo Ger. y Adm.	334,874		
Sub-Total	1,091,356	231,642	0
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....			0
TOTALES	2,793,650	1,157,706	750,714

Illustrative Budget
 U.S Dollar
 Year 3

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	1,541.54	39,972.49	
1.2 Adiestramiento	72,281.43	15,458.98	67,164.41
1.3 Ayudas Didacticas	2,338.00		7,014.01
1.4 Evaluaciones			
Sub-total.....	76,160.97	55,431.47	74,178.42
2.0 ASISTENCIA TECNICA			
2.1 Personal	435.16	9,265.80	26,491.92
2.2 Asesorías	4,903.92		2,451.86
2.3 Evaluaciones	945.00		
Sub-total.....	6,284.08	9,265.80	28,943.78
3.0 GASTOS OPERATIVOS			
3.1 Personal	2,334.18	15,597.18	
3.2 Adiest. Personal	12,356.35	5,583.23	
3.3 Materiales y Sum.	2,745.86		
3.4 Transporte	10,597.44		
3.5 Viaticos	13,305.60		
3.6 Auditorias	5,250.00		
3.7 Promoc. y Public.	1,680.00		
3.8 Apoyo Ger. y Adm.	27,943.51		
Sub-Total	76,212.94	21,180.41	
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....			
TOTALES	158,657.99	85,877.68	103,122.20

Ilustrative Budget
 Local Currency
 Year 3

	** AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	19,269	499,656	
1.2 Adiestramiento	903,518	193,237	839,555
1.3 Ayudas Didacticas	29,225		87,675
1.4 Evaluaciones			
Sub-total.....	952,012	692,893	927,230
2.0 ASISTENCIA TECNICA			
2.1 Personal	5,440	115,823	331,149
2.2 Asesorías	61,299		30,648
2.3 Evaluaciones	11,813		
Sub-total.....	78,552	115,823	361,797
3.0 GASTOS OPERATIVOS			
3.1 Personal	29,177	194,965	
3.2 Adiest. Personal	154,454	69,790	
3.3 Materiales y Sum.	34,323		
3.4 Transporte	132,468		
3.5 Viaticos	166,320		
3.6 Auditorias	65,625		
3.7 Promoc. y Public.	21,000		
3.8 Apoyo Ger. y Adm.			
Sub-Total	603,367	264,755	0
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....	0	0	0
TOTALES	1,633,931	1,073,471	1,289,027

Illustrative Budget
 U.S. Dollar
 Year 4

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal		49,023.84	
1.2 Adiestramiento	49,396.97	15,458.98	89,724.18
1.3 Ayudas Didacticas			5,534.68
1.4 Evaluaciones	7,560.00		
Sub-total.....	56,956.97	64,482.82	95,258.86
2.0 ASISTENCIA TECNICA			
2.1 Personal		1,914.71	38,854.82
2.2 Asesorias	4,903.92		3,691.53
2.3 Evaluaciones	945.00		
Sub-total.....	5,848.92	1,914.71	42,546.35
3.0 GASTOS OPERATIVOS			
3.1 Personal		24,859.68	
3.2 Adiest. Personal	7,425.52	7,660.15	
3.3 Materiales y Sum.	2,745.86		
3.4 Transporte	10,597.44		
3.5 Viaticos	13,305.60		
3.6 Auditorias	7,350.00		
3.7 Promoc. y Public.	1,680.00		
3.8 Apoyo Ger. y Adm.	29,199.39		
Sub-Total	72,303.81	32,519.83	
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....			
TOTALES	135,109.70	98,917.36	137,805.21

Ilustrative Budget
 Local Currency
 Year 4

	** AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal		612,798	
1.2 Adiestramiento	617,587	193,237	1,121,552
1.3 Ayudas Didacticas			69,184
1.4 Evaluaciones	94,500		
Sub-total.....	712,087	806,035	1,190,736
2.0 ASISTENCIA TECNICA			
2.1 Personal		23,934	485,685
2.2 Asesorías	61,299		46,144
2.3 Evaluaciones	11,813		
Sub-total.....	73,112	23,934	531,829
3.0 GASTOS OPERATIVOS			
3.1 Personal		310,746	
3.2 Adiest. Personal	22,819	95,752	
3.3 Materiales y Sum.	34,323		
3.4 Transporte	132,468		
3.5 Viaticos	166,320		
3.6 Auditorias	91,875		
3.7 Promoc. y Public.	21,000		
3.8 Apoyo Ger. y Adm.	364,992		
Sub-Total	903,797	406,498	0
4.0 INVERSIONES			
4.1 Equipos			
4.2 Acondic. local			
Sub-total.....	0	0	0
TOTALES	1,688,996	1,236,467	1,722,565

Illustrative Budget
 U.S. Dollar
 Year 1 - 4

	**AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	50,753.38	159,762.39	
1.2 Adiestramiento	324,700.37	60,849.10	223,246.80
1.3 Ayudas Didacticas	12,458.85	6,072.51	12,548.69
1.4 Evaluaciones	12,600.00		
Sub-total.....	400,512.60	226,684.00	235,795.49
2.0 ASISTENCIA TECNICA			
2.1 Personal	2,305.27	57,579.26	81,402.45
2.2 Asesorías	19,615.68		7,369.36
2.3 Evaluaciones	3,780.00		
Sub-total.....	25,700.95	57,579.26	88,771.81
3.0 GASTOS OPERATIVOS			
3.1 Personal	12,365.36	69,648.34	
3.2 Adiest. Personal	75,832.47	19,471.22	
3.3 Materiales y Sum.	10,983.44		
3.4 Transporte	48,952.26		
3.5 Viaticos	53,222.40		
3.6 Auditorias	23,100.00		
3.7 Promoc. y Public.	6,720.00		
3.8 Apoyo Ger. y Adm.	109,673.92		
Sub-Total	340,849.85	89,119.56	
4.0 INVERSIONES			
4.1 Equipos	16,592.60		
4.2 Acondic. local	32,550.00		
Sub-total.....	49,142.60		
TOTALES	816,206.00	373,382.82	324,567.30

Ilustrative Budget
 Local Currency
 Year 1 - 4

	** AID	FDD	BENEF.
1.0 CAPACITACION			
1.1 Personal	634,292	1,997,030	
1.2 Adiestramiento	4,058,880	760,614	2,793,210
1.3 Ayudas Didacticas	155,736	75,906	156,859
1.4 Evaluaciones	157,500		
Sub-total.....	5,006,408	2,833,550	2,950,069
2.0 ASISTENCIA TECNICA			
2.1 Personal	28,816	719,741	1,017,531
2.2 Asesorias	245,196		92,117
2.3 Evaluaciones	47,250		
Sub-total.....	321,262	719,741	1,109,648
3.0 GASTOS OPERATIVOS			
3.1 Personal	154,567	870,604	
3.2 Adiest. Personal	947,906	243,390	
3.3 Materiales y Sum.	137,293		
3.4 Transporte	611,903		
3.5 Viaticos	665,280		
3.6 Auditorias	288,750		
3.7 Promoc. y Public.	84,000		
3.8 Apoyo Ger. y Adm.	1,370,924		
Sub-Total	4,260,623	1,113,994	0
4.0 INVERSIONES			
4.1 Equipos	207,408		
4.2 Acondic. local	406,875		
Sub-total.....	614,283	0	0
TOTALES	10,202,576	4,667,285	4,059,717

E. TITLE TO PROPERTY

Title to all property shall be in accordance with the "Required as Applicable" Standard Provisions for Non-U.S., Non-governmental Grantees Provisions entitled "Title To and Use of Property (Grantee Title)".

F. SPECIAL PROVISIONS

See Attachment 5

G. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this Agreement is Geographic Code 000 and the Cooperating Country.

PROGRAM DESCRIPTION

1. Background

The project will channel training opportunities to microproducers in the rural and urban areas of 22 provinces and the national district. The fundamental purpose of the project is to strengthen and enhance the microproducers' ability to generate employment, to increase their managerial capacity, and to improve living conditions for their families and dependants.

Project services will be directed to microproducers, craftsmen, and small farmers, who have traditionally had little or no access to training opportunities.

2. PROGRAM FOCUS:

2.1 THE UNEMPLOYMENT PROBLEM AND DECREASE IN REAL INCOME.

For 1990, the economically active population (10 years old and up) is estimated at 2,994,600 from which 29.2% is unemployed (according to UEPA data).

During the last five years, the unemployment rate has been as follows: 28.30% in 1986, 25.00% in 1987, 28.00% in 1988, 28.00 in 1989, and 29.2% in 1990. Figures show a slight increase of unemployment, mainly as a result of the financial crisis. Tourism and the development of free zones, as well as the growing importance of the informal sector as a mean of self-employment and job openings, have cushioned the negative impact of the financial crisis to a certain extent.

Another problem that is derived from the inflationary process that the country has gone through in recent years is a decrease in the real value of income, which mainly affects families who depend on salaries or any kind of activity that does not allow them to transfer inflation to the price of what they produce, whether it be goods or services.

As an example, take the minimum wage paid in large companies, and

compare it to living costs (1977 prices), in order to determine the real value of income:

YEAR	COST OF LIVING	NOMINAL WAGES	REALS WAGES	REQUIRED MINIMUM WAGES
1986	317.35	\$ 250.00	\$ 78.80	\$ 563.30
1987	367.81	288.70	78.50	652.90
1988	531.23	436.30	82.10	943.00
1989	772.51	536.00	62.40	1,371.20
1990	1,231.21	865.00	70.30	2,186.30
1991*	1,877.21	1,120.00	59.00	3,332.24

*Up to July 1991

Generally speaking, inflation reached 9.7% in 1986, 15.9% in 1987, 44.4% in 1988, 45.4% in 1989, and 59.4% in 1990 (rising to 100.4% in December of that year). In 1991, adjustment policies implemented by the Government have stopped the inflationary process. Accumulated inflation is expected to be approximately 1.08% for this year.

The decrease of real wages has pushed many employees, workers, technicians and professionals into the informal sector, as an option to increase their incomes to a level that allows them to meet family needs. This fact has had a determining influence in the increasing number of microbusiness and small business that have proliferated during recent years in the major urban centers of the country.

2.2 BRIEF DESCRIPTION OF THE INFORMAL SECTOR.

The informal sector has only become important since the early seventies. Therefore, there is not sufficient research to provide a clear and precise conceptualization and description. Available documentation barely allows an approximate definition and only records its most common characteristics.

Based on our institutional experience, the informal sector may be defined as an heterogeneous set of income-yielding activities that do not comply with legal business regulations, and operated with little capital and no technical advances, using appropriate technology.

In a broader sense, the fundamental characteristics of productive units that integrate the informal sector are the following:

- Low investment level and relatively low production.

- Participating population is registered in the lower categories in terms of income distribution.
- Use of appropriate technology in productive activities.
- Competitive, non-regulated market.
- Predominant family involvement.
- Income is mainly derived from selling goods and services, not from the work force.
- Easy access (requires neither advanced technical knowledge nor big investment).
- No access to formal and official financing mechanisms.
- Little or no possibility of accumulating capital.

Even though researchers seriously doubt the ability of informal sector units to act as an alternative form of development, they are an option for broad population sectors to face the effects of the financial crisis, mainly in underdeveloped or developing countries. Although one may agree that they are used as survival strategies, in many cases, growth and development processes make it possible for them to be integrated into the formal sector.

THE INFORMAL SECTOR IN THE DOMINICAN REPUBLIC.

As in many countries, the formal economy in the Dominican Republic does not have sufficient capacity and is not dynamic enough to absorb the increasing workforce. Traditional sectors such as agriculture, medium and large industry can barely assimilate 5% of the annual increase.

On the other hand, the public sector is increasingly facing greater difficulties in offering job opportunities. In the case of agriculture, since 1984 the employment rate has decreased as a result of its decreased contribution to the GDP and a decrease in public investment in this sector. Only tourism and free industrial trade zones record a significant increase in their contributions to job creation.

Rural migration and the low availability of jobs in the formal economy have provoked an accelerated growth rate in the informal sector of the Dominican Republic. According to estimates of the Oficina Nacional de Estadísticas (ONE), in 1991, the economically active population reached a total of 3,065,329, representing 141.75% of the total population. The city of Santo Domingo had a total population of 2,054,504, which represents 47% of the total urban population in the country. According to available statistics, the participation of the economically active population in the formal sector of the economy decreased approximately by 70% in the 80-83 period. Approximately 50% of the economically active population works in the informal sector of the economy, given its great capacity to absorb unemployed people with low capital investment.

Even though little research on this sector has been conducted in the Dominican Republic, it is estimated that the sector's economic activity

is extremely high. According to data obtained from a microbusiness study conducted by Management Systems International (AID and Adomicro), in 1989, there was a total of 146,000 microbusiness, from which 95,000, that is, 65%, were located in the city of Santo Domingo, 13,000, 9%, in Santiago, and 38,000 or 26% in other major cities all over the country.

2.3 GEOGRAPHIC AREA SELECTED FOR PROJECT DEVELOPMENT.

Training services to be offered by this project will be implemented in the main urban centers of the three regions that form the national geography, Cibao, Suroeste, and Sureste, as well as in rural areas on the Haitian border, in the San Juan Valley, and in the Neyba Valley.

The Cibao region is divided into Cibao Central, Cibao Oriental, and Cibao Occidental.

In the Cibao Central, the project will be implemented in the provinces of Espaillat, La Vega, Monseñor Noüel, and Santiago, affecting only target population in urban areas.

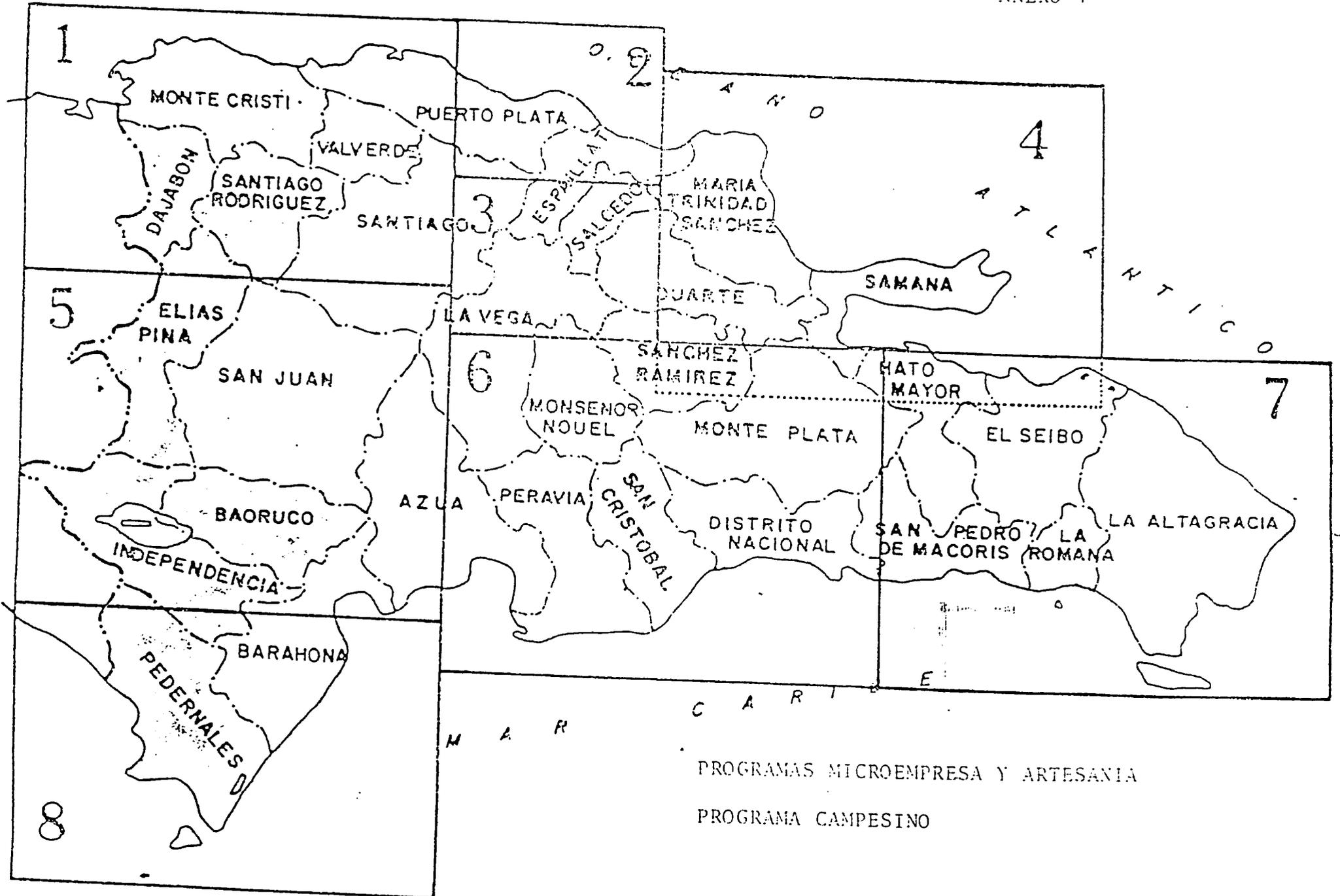
In the Cibao Oriental, participating provinces will be Duarte, María Trinidad Sánchez, Salcedo, and Sánchez Ramírez. Only target population in urban areas will participate.

In the Cibao Occidental, the program will be implemented in the provinces of Dajabón, Monte Cristi, Santiago Rodríguez, and Valverde. In this region, the provinces of Dajabón, Monte Cristi, and Santiago Rodríguez belong to the border area and only target population in rural areas will participate. In the case of the Valverde province, only the target population in urban areas will participate.

The southwest (suroeste) region is divided into the Enriquillo sub-region and the Valle subregion. In the Enriquillo subregion, the project will include the provinces of Bahoruco, Independencia, and Pedernales. The program will only include target population in rural areas.

In the Valle subregion, the project will reach the provinces of Azua, Elías Piña, and San Juan. In Azua, only the target population of urban areas will be affected. In Elías Piña, it will only affect the rural area, and in San Juan, both urban and rural populations will be included.

The southeast (sureste) region is formed by two subregions: Valdesia and Yuma. In the subregion of Valdesia, the project will include the provinces of Peravia and San Cristobal, as well as the National District (Santo Domingo); affecting only the target population of urban areas.



PROGRAMAS MICROEMPRESA Y ARTESANIA

PROGRAMA CAMPESINO

In the Yuma subregion, the program will include the provinces of La Altagracia and La Romana. Only target populations from urban areas will participate.

These geographic areas were chosen for developing the program because these are the areas of incidence of programs for micro and small businessmen, craftsmen, and farmers.

2.4 PROJECT STRATEGY TO ADDRESS TARGET POPULATION PROBLEMS.

Three main problems inhibit the growth or development of both urban and rural microproducers:

- Insufficient capital for adequate operation of business.
- Insufficient managerial and technical ability for optimal use of available resources.
- Limitations that hinder their possibilities for broadening the market for their products (guarantee of quantity, quality, delivery, standards, marketing knowledge).

The alternative for overcoming these problems is to have access to financial resources that may fulfill their capital needs and give them access to training opportunities, mainly in business management. Training in this area would allow better organization and functioning of the managerial process, and would help to overcome deficiencies in production techniques directly related to productivity and quality.

The project will focus on providing micro and small businessmen, craftsmen, and farmers, with the necessary opportunities for better managing their businesses, by incorporating procedures and tools, such as better production organization, greater knowledge of the technology used in their production process, and a better understanding and participation in the market.

Resources provided by the grant will be used for broadening and complementing FDD's capacity to channel training opportunities to the total target population, and will allow the program to encompass all weak areas, so that microproducers may be more successful in their endeavors.

3. DETAILED DESCRIPTION OF THE PROJECT.

As stated in Item 1, the purpose of the project is to increase the ability of the target population to generate employment, to become more self sufficient, and to improve the living conditions of its families. The training received should allow them to increase job opportunities by 25% and increase incomes of 80% of microproducers involved in the project by 25%.

3.1 OBJECTIVES.

In order to achieve these purposes, the project contemplates the following objectives.

3.1.1 GENERAL OBJECTIVES.

- Reinforcing knowledge of elemental management procedures and their practical application.
- Strengthening managerial resources and instilling an awareness of the situation of the informal sector and the national reality.
- Promoting technological advances to increase productivity and improve quality.
- Providing marketing techniques and on-hands marketing experience to increase sales.
- Improving the organization of production processes to promote a better use of human and material resources.
- Reinforcing managerial and technical abilities to increase microproducers' income and therefore improve living conditions for their families.
- Promoting a new awareness of environmental deterioration and the importance of introducing environmentally safe work methods to avoid further deterioration.

3.2.1 SPECIFIC OBJECTIVES.

- 880 training events and 5,748 follow-up activities and consultations will be held during the first year, with approximately 29,600 participants.
- 9,135 direct beneficiaries will be reached during the first four years.
- Eighty percent (80%) of the target population will begin to use a simple accounting system.
- Seventy-five percent (75%) of target population will incorporate adequate business management procedures for determining costs and fixing prices.
- Seventy-five percent (75%) of target population will achieve significant improvements in production organization.
- Seventy-five percent (75%) of target population will design plans with short-medium and long term goals to develop and expand their businesses.
- Eighty percent (80%) of farmer associations will begin using control procedures to manage resources according to an investment plan.
- Farmer Associations will reinforce the structure and functioning of their work committees.
- In the first three years of the project, and as a result of the expected growth and development brought about by training and technical assistance, 75% of participating microbusinesses will increase by 25% the number of employees working in their businesses.

- The project will develop a campaign to promote awareness of environmental problems. The program will reach all microproducers.
- Farmer associations will be used as a means to introduce environmentally safe work methods.

3.2. TRAINING PROGRAM STRUCTURE: ORGANIZATION, DESIGN AND METHODOLOGY.

Developing modules and defining and applying active methodology are the fundamental elements for designing the educational process that will be implemented through this project.

In order for the target population to reach training objectives, a continued education program will be produced, following a plan of active dialogue with beneficiaries that should provide timely answers to their specific needs.

Needs will be identified through a diagnosis that will provide a profile of each beneficiary. Microproducers from each location or area will be grouped based on common weaknesses.

Five training modules will be developed to meet beneficiary needs. A sixth module will be developed to provide in-service training for the personnel directly involved in the project. Each module describes the learning objectives that beneficiaries are expected to achieve. Although the contents of events and activities will be defined according to the profiles obtained in the diagnosis, institutional experience allows us to anticipate possible content areas:

3.2.1 TRAINING MODULES.

- Location and human growth.
- Group structure and dynamics.
- Managerial and administrative aspects.
- Production techniques.
- Ecology and environment.
- In-service training.

3.2.1.1 LOCATION AND HUMAN GROWTH.

This module is expected to help microproducers discover their potential and limitations as human beings and as producers in society.

It will help beneficiaries to clearly identify their goals as individuals, as heads of families, as businessmen, and as members of their society.

It will also help businessmen understand what attitudes and behavior will help them reach their goals.

Businessmen will understand the national reality and their international surroundings.

It will help businessmen to clearly understand the characteristics of the informal sector and the factors that influence it.

The thematic content to be developed is the following:

- Dominican social and business reality.
- The informal sector.
- Dominican rural sector.
- Crisis, inflation, and their effects on business.
- Value of money in time.
- Business sanitation.
- Credit.
- Structural adjustment policies and their effect on micro and small businesses.
- Attitudes and behavior which hinder or enhance personal development.
- Man, family, business, and society. Cultural characteristics of the Dominican man.
- Reinforcing initiative, creativity, and the desire for achievement.
- The importance of and the ways to establish a life plan with clearly defined personal goals, as well as the means to attain them.

3.2.1.2 GROUP STRUCTURE AND DYNAMICS.

Both the farmer program and the microbusiness program work with groups. The farmer program works with farmer organizations and the microbusiness program works with the so called solidarity groups.

Farmer associations need training and follow-up in operation, meeting organization, and resource management, in order to succeed in facilitating their members' access to financial resources, new technology, and adequate marketing. The association regularly participates in regional and community development processes.

Solidarity groups have heterogeneous characteristics and are very dispersed. Members work with very little capital. Therefore, they are very difficult to organize and operate. The project will select group members on the basis of similarity in their productive activities. The program also intends to increase the number of shared activities, in order to foster a sense of common interest. This way, it will be possible to develop a group of common topics to strengthen the structure and operation of these small groups.

The following topics have been selected for that purpose:

- Group structure.
- Parliamentary Proceedings.
- Leadership.
- Leader and committee functions.
- Human Relations.
- The importance of organizations.
- Group associates.
- Solidarity (common cause) and group responsibility.
- Second Level organizations.
- Incorporation.

3.2.1.3 MANAGERIAL AND ADMINISTRATIVE ASPECTS.

Most of the content in this module is shared by the target population of all programs implemented by the Fundación Dominicana de Desarrollo. They are the key points of educational work.

The goal is to develop the microproducer's ability to be self-sufficient, by means of managerial skills, procedures, and instruments that will allow him to better manage resources and to attain higher operational income yield capacity, enabling him to expand his business and generate new jobs.

In this module, microproducers are expected to learn basic planning, organization, and controls. Organization and controls will be emphasized, according to the size and structure of the productive unit. FDD has worked for 10 years with microproducers, more than 15 years with craftsmen, and almost 25 years with small farmers. Institutional experience shows that reinforcing record management, cost analysis, inventory control, bank account handling, production organization, workshop organization, and personnel management, have been determining factors in the growth and good operation of productive units.

Topics in this module include:

- Basic business management concepts.
- Basic accounting.
- Business controls.
- Production costs.
- Business regulations.
- Marketing.
- Production aspects.
- Use and conservation of resources.
- Inventory.
- The microproducer's responsibility toward commitments.
- Bank accounts.
- Creation of projects.

- Management.

3.2.1.4 PRODUCTION TECHNIQUES.

The following premises should be taken into consideration for this module:

- The criteria for selecting beneficiaries to the program is to establish that the applicant has a thorough knowledge of his productive activity, and at least one year of experience managing his business.
- The target population presents different levels of technological knowledge in each production area.
- There is a very wide spectrum of activities in microbusiness, small businesses, and craft programs.

It is therefore necessary to consider a broad and complex diversity of contents, in order to train participating microproducers in the production techniques that are necessary for their specific businesses.

The Fundación Dominicana de Desarrollo operates with limited resources, and does not have the necessary technological and human resources to respond to all technical support needs.

Therefore, training programs for this project are planned in coordination with other institutions such as INFOTEP, SEA, Universities, and other organizations, in order to obtain the appropriate human resources and infrastructure to respond to the greatly diversified needs of the target population.

The goal is not to train technicians in any activity. The fundamental goal is to improve the technical abilities required by the beneficiaries to increase product quality, as well as business productivity.

The following topics have been selected for that purpose:

- Production process organization.
- Product finishing.
- Use of color.
- Design.
- Production adjustment to different factors.
- The soil factor.
- Water management.
- Soil analysis.
- Rice production.
- Bean production.
- Animal traction.
- Grape production.
- Corn production.

- Adequate procedures and care in the use of pesticides when growing grapes, rice, beans, and corn.

3.2.1.5 ECOLOGY AND ENVIRONMENT.

The danger of environmental deterioration has impelled us to include a module that will increase target population awareness. The module will emphasize how the problem may affect long term human survival and its short term effects on health and agriculture.

This module also seeks to teach adequate handling of substances in order to reduce their harmful effects on the environment. It also seeks to offer options to avoid harmful practices.

The module will be based on the following content:

- Environmental deterioration and its future consequences for man.
- Poor handling of natural resources and its consequences.
- The importance of forestation.
- National Parks: importance and function. Green areas and other natural resources.
- The use of products and methods that deteriorate the environment.

3.2.1.6 IN-SERVICE TRAINING.

Technical personnel working on development programs with the Fundación Dominicana de Desarrollo will have to strengthen their training skills to implement this component. It will be necessary to reinforce their motivation, methodology, informal education techniques, and use of teaching aids, in order to guarantee a satisfactory level of coordination, implementation and follow-up of events and activities contemplated in this project.

Topics for this module are:

- Informal education methodology and techniques.
- Audiovisual aid production and handling.
- Techniques and procedures for design, implementation, follow-up, evaluation, and feedback in a continued education process.
- Specialization in grape production techniques
- Specialization in rice production techniques
- Methodology, techniques, and use of tools in managerial and administrative training.
- Appropriate procedures for handling and applying pesticides.

3.2.2 TYPES OF ACTIVITIES.

The most important activities in which the above-described contents will be taught are the following:

- Short courses.
- Workshops.
- Study sessions.
- Talks, study circles.
- Speeches/conferences.
- Seminars.
- Demonstrations.
- Experimental parcels.
- Exchange Gatherings.
- Parcel/Domicile visits.
- Audiovisual presentations.
- Evaluation sessions.
- Specialization courses.

3.2.3 COMPONENTS, STAGES, AND ACTIVITIES OF THE PROJECT IMPLEMENTATION PROCESS.

3.2.3.1 COMPONENTS.

The basic components of the project are:

- Evaluation.
- In-service training.
- Beneficiary training.
- Follow-up (counseling).
- Consulting and specialized technical assistance.
- Production and/or procurement of teaching aids.

4. EXPECTED CONDITIONS.

4.1. AT URBAN MICROPRODUCER LEVEL.

Most microbusinesses emerge as a survival alternative for lower income sectors of the population. As a consequence, they are unplanned productive units with little or no control mechanisms, little technical knowledge in their field of work, rudimentary equipment and instruments, very little working capital, difficulty in obtaining financial resources, inadequate production organization, and naturally, slim chances for growth. The goal of training, technical assistance, and financing, is to overcome these weaknesses.

According to institutional experience, project beneficiaries who complete the training and consultation cycle, which will take

approximately three (3) years, will have reached the following developmental objectives.

Microbusinessmen and small businessmen, including craftsmen, are expected to achieve the following goals:

- Reach the highest level of personal development.
- Acquire an awareness of national and international reality that will allow them to understand the variables and factors of the socioeconomic process that influence the development of their productive unit.
- Gain broader entrepreneurial resources that will help them face difficulties and take better advantage of opportunities for business growth and development.
- Incorporate managerial procedures and practices into their businesses, especially in terms of accounting records, cost analysis, inventory control, and use of bank accounts. They are also expected to improve workshop organization in order to take better advantage of space, equipment, human and material resources. Those changes and technical innovations will increase productivity. Beneficiaries are also expected to master marketing techniques, as well as to improve the quality of services or products, in order to increase their share of the market.

Definition of goals, managerial control of operations, workshop organization, access to bigger capital volumes, productivity increases, and market expansion, will determine a qualitative and quantitative growth that will increase their margins of benefit and generate new jobs or strengthen existing ones.

4.2. RURAL MICROPRODUCER LEVEL.

In the case of rural microproducers, work is conducted through associations. Therefore, it is necessary to establish the expected conditions with small farmers on an individual basis, on the one hand, and the expected conditions of the associations that they are grouped in, on the other hand.

With relation to the associations, the following results are expected:

- Benefitting small farmer associations will adequately implement administrative procedures for managing collective loans with individual applications, including financial controls, bank accounts, follow-up, supervision, collection, and repayment.
- Associations will have strengthened their internal structure and operation, including: establishing and/or strengthening functional

committees (discipline, credit, vigilance, education, recreation committees, etc.), as well as work committees: improving meeting organization and directors' performance. Leaders will be capable of practicing democratic leadership, therefore facilitating the active participation of all members. Members with leadership potential will also be ready to assume leadership positions in the group.

- The association will implement and adequately manage a simple accounting record system.

- For each one of the crops produced by their members, the association will determine production costs, analyze their profitability, and contact the most convenient marketing channels for selling produce. If possible, crops will be sold collectively.

- Each association will act as a spokesman of the need to preserve the environment.

Farmers are expected to achieve the following goals:

- The small farmer will have a broader understanding of national reality, especially in terms of rural agricultural problems.

- The small farmer will be aware of the serious dangers of environmental deterioration, so that he will understand them, assume a responsible attitude toward them, and take specific action to improve environmental conditions.

- They will apply new knowledge and farming techniques that will increase productivity between 20 and 30%.

- Beneficiaries will more efficiently manage the resources that are part of the production process, mainly in terms of input procurement, management, and use of resources according to an investment plan.

- Their attitudes and behavior will reflect a higher sense of responsibility and commitment to their responsibilities with their families, the association, the community, and the country.

5. PROJECT EXPANSION POTENTIAL.

The target population for the project consists of farmers, microbusinesses, small businesses, and craftsmen in different areas of the country.

That target population is progressively growing as these programs receive fresh resources to broaden their services.

Considering the current situation of these programs and making a realistic projection of their growth based on available funds, the

beneficiary population for this project will increase according to the following schedule:

YEAR	BENEFICIARIES
1992	4,482
1993	7,558
1994	8,760
1995	9,135

The expected target population growth guarantees that when the four years of implementation are over, the project will have reached 9,135 beneficiaries.

Future possibilities to obtain new funds which are not considered in this plan, allow us to foresee that starting in 1993, the projected target population will grow even further.

As an important part of the strategy to support and continue the project, we plan to obtain the progressive contribution of direct beneficiaries. They will pay for part of the expenses by contributing with increasingly higher amounts of money, until they cover 75% of direct costs for project operation. During the first year, beneficiaries will only pay for part of the teaching materials they use and their transportation to activities; the second year they will also pay 50% of food and refreshment costs for activities held in their communities; starting on the third year, we will charge a commission percentage to all loans granted by the FDD to beneficiaries. This will allow us to cover 25% of the implementation costs for the first year of this project. The fourth year that fee will be increased to cover up to 50%, and the fifth year, the commission will cover 75% of the costs.

6. PROJECT IMPACT ON DEMOCRATIC VALUES:

One of the main purposes of the project is that by benefitting microproducers, either as individuals or as associations, a higher level of internal stability and financial self-sufficiency will be reached. In order to achieve this goal, it will be necessary to follow an implementation methodology that will allow beneficiaries to participate in the organization of educational events and activities, as well as in the diagnosis, design, implementation, and evaluation of programs.

The participation of farmer associations will be coordinated at regular meetings, since they are an excellent means to promote the democratic participation of all members.

Craftsmen, microbusinessmen, and small businessmen will promote periodic meetings at each location, in order to promote their participation in the organizational process.

Periodic meetings will also be held at a regional level in order to evaluate educational processes and obtain feedback from participants. These meetings will also promote the formation of provincial associations of micro and small businesses.

7. COORDINATION WITH OTHER INSTITUTIONS AND PROGRAMS THAT SHARE PROJECT IMPLEMENTATION AREAS.

Considering that the FDD has neither the necessary human resources, nor the technological and logistical infrastructure to successfully and adequately implement this project, the participation of other organizations is essential.

FDD has always widened the scope of its projects thanks to effective interinstitutional coordination.

The FDD currently collaborates with several institutions in the sector. Among them are the following:

- Secretaría de Estado de Agricultura.
- Instituto de Estudios Dominicanos (IED).
- Fundación para el Desarrollo de la Juventud Rural (FUNDEJUR).
- Asociación para el Desarrollo de la Microempresa (ADEMI).
- Instituto de Formación Técnico Profesional (INFOTEP).
- Programa de Apoyo a la Pequeña Empresa (PROAPE).
- Fondo para el Desarrollo de la Microempresa (FONDOMICRO).
- Peace Corps.
- Instituto Interamericano de Cooperación para la Agricultura (IICA).
- Instituto Tecnológico de Santo Domingo (INTEC).
- Fundación de Desarrollo Agropecuario (FDA).
- Junta Agroempresarial de Consultoría y Coinversión (JACC).
- Agencia de Cooperación Internacional del Japón (JICA).
- Centro Dominicano de Organizaciones de Interés Social (CEDOIS).
- Instituto de Entrenamiento de Líderes (IEL).
- Instituto Dominicano de Desarrollo Integral (IDDI).

At the same time, contact has been made with other organizations and programs in order to obtain support in their specific areas of work. Among these are:

Secretaría de Estado de Industria y Comercio, Secretaría de Trabajo, Instituto Dominicano de Seguro Social (IDSS), Pontificia Universidad Católica Madre y Maestra (PUCCM), Enda Caribe, Fundación Progressio, and Dirección General Forestal.

Expected coordination possibilities include the following:

- Obtaining professionals and technicians who will teach in areas where our institution does not have sufficient or qualified human resources.
- Obtaining specialized technical assistance to conduct research on important problem areas for the target population and personnel.
- Providing the necessary technological infrastructure to hold events and special activities.
- Providing access to documentation, as well as research and study results that might be useful to the project.
- Providing volunteer support for specialized tasks.
- Facilitating infrastructure, whether as a loan or rented, to hold events and activities.
- Providing teaching material (booklets, audiovisuals, etc.) that may be useful for training and information.
- Offering specialized training opportunities in events held by other institutions, either for FDD personnel or for project beneficiaries.
- Taking advantage of any other opportunity of collaboration that might arise through interinstitutional coordination.

B. BENEFICIARIES.

Project services are directed toward a target population that has been divided into two broad groups:

- Urban microproducers (craftsmen, micro and small businessmen).
- Rural microproducers (agricultural workers and small farmers).

The projected and accumulated target population during the four (4) years of project implementation is expected to reach a total of 4,482 during the first year; 7,558 in the second year; 8,670 in the third year, and 9,135 in the fourth year. Segregated by programs, the amount of direct beneficiaries each year will be as follows:

PROJECTED BENEFICIARIES
(ACCUMULATED YEARLY FOR EACH PROGRAM)

PROGRAM	YEAR 1	YEAR 2	YEAR 3	YEAR 4
MICRO AND SMALL BUSINESSES	2,238	2,788	3,163	3,538
FARMERS	2,084	4,197	4,868	4,868
CRAFTSMEN	260	573	729	729
TOTAL	4,482	7,558	8,760	9,135

Beneficiaries are located in the lowest income levels of society. A socioeconomic profile of beneficiaries located in rural and urban areas is presented below.

1. URBAN MICROPRODUCERS.

According to data obtained from surveys in neighborhoods of Santo Domingo and FDD statistics, the most relevant socioeconomic characteristics of microproducers and craftsmen are the following:

1.1 AGE AND SEX.

Sixty-three percent of beneficiaries are men and 37% are women. The majority are between 18 and 60 years old, 30.8% are less than 30 years old; 30.3% are between 30 and 40 years old; 21.1% are between 40 and 50 years old, and 17.8% are more than 50 years old. All of the programs implemented by FDD provide equal opportunities for men and women. Progress on the project will be reported by gender.

1.2 FAMILY AND INCOME.

Seventy-two percent of beneficiaries have a family; half of them are married and the others live together. Families have 4.5 members; the income level is between an average of RD\$750.00 and RD\$3,500.00 a month (does not include small businessmen).

2. SMALL FARMERS.

Since there are no recent studies of rural population, and particularly in the areas where the project is to be implemented, a survey was conducted in two farmer associations and three worker associations, in each of the provinces where the farmer program was implemented. Results were as follows:

2.1 AGE AND SEX.

Ninety-four percent are male, 6% are female. Most participants are adults between 30 and 65 years old, 33% are between 30 and 40 years old, 31% are between 40 and 50 years old, and 28% are more than 50 years old. Only 8% are less than 30 years old.

2.2. FAMILY AND INCOME.

Seventy-four percent of the population have a family, with a high percentage of unmarried couples (45%). The average number of children for each head of family is 5.5, from which 2.5 reside outside the home. One or more relatives also live with the family, increasing the number of family members to an average of six.

Reported monthly average income per head of family is RD\$1,200.00. It has been observed that this data is regularly distorted by the farmers' tendency to undervalue their harvest. Also, products for family consumption are not considered as income. In addition to this income, 100% of farmers raise animals and poultry, and 62% have fruit trees. One or two children also help in agricultural tasks, and in many cases, other members of the family provide additional income.

Income for farm hands amounts to approximately RD\$960.00 a month, calculated on the basis of an average wage of RD\$40.00 per day, for an estimate of 24 work days per month.

2.3 EDUCATIONAL LEVELS.

The educational level of small farmers and farm hands is low, with 47% of illiteracy, 28% of pseudo-literate people with less than 3rd grade level, and the remaining 25% between third and sixth grade. Twenty-seven percent of dependants are illiterate, and the majority of those who have been to school have not studied beyond sixth grade.

2.4 LAND TENANCY.

Small farmer beneficiaries work in miniature holdings. They are grouped as follows:

- with less than 20 tareas* 37%
- between 20 and 29 tareas 32%
- between 40 and 59 tareas 18%
- with more than 60 tareas 13%

* There are about 16.2 tareas in a hectare.

Forty-one percent of farmers are land owners. Out of the remaining 59%, 12% work on borrowed land, 11% hold IA-owned lots, 11% are tenants, 10% work on land held on shared tenancy, 9% work on common lands, and 6% have other forms of occupation.

2.5 FARMER ASSOCIATIONS. BRIEF DESCRIPTION.

Farmer associations are considered as a specific subject in the project's training component. It is therefore necessary to establish their most important characteristics.

Associations are structured in the following manner: a board represents the group, makes decisions and organizes work and activities. It is comprised by a President, a vice-president, a secretary, a treasurer, and vocals.

As a complement to the board, there are several functional committees (vigilance, education, discipline, and projects). Other committees are created for specific short-term tasks. Associations meet weekly or bi-weekly to discuss all matters related to projects and activities. Many training activities (speeches, talks, presentations, audiovisuals) are held at regular meetings.

Thirty percent of associations are ruled by statutes and regulations, and some of them (around 5%) have been legally incorporated.

3. CRITERIA USED FOR BENEFICIARY SELECTION.

Considering that project beneficiaries are the target population for the microbusiness, small business, craftsmen, and farmer programs, selection criteria is as follows:

3.1 MICROBUSINESSMEN:

- Must be 18 years old or older.
- Must have at least one year of experience in the business.
- Must have potential to expand and generate employment.
- Investment should not exceed RD\$30,000.00.
- Must have one or more employees.
- Must be willing to receive technical assistance and training.

3.2 SOLIDARITY GROUPS:

- Must be at least 16 years old.
- Must have at least one year of experience in the business.
- Must support individual commitments.
- Must become part of a group.
- Must be willing to receive technical assistance and training.

3.3 CRAFTSMEN:

- Must be of legal age.
- Must have at least one year of experience.
- Must have potential to expand and generate jobs.
- Investment must not exceed RD\$70,000.00.

- Must have more than one employee.
- Must be willing to receive technical assistance.

3.4 SMALL FARMER ASSOCIATIONS:

- Must have an organized, defined structure.
- Must have been founded and begun work at least one year before applying.
- Whether incorporated or not, associations must have the experience and the internal structure that will ensure adequate operation.
- Must consist of low income individuals who traditionally have no access to service sources.
- Must assume collective responsibility in relation to commitments, whether they are made collectively or with individual members.
- Must be willing to receive technical assistance and training.

4. COSTS AND BENEFITS FOR BENEFICIARIES:

Dividing the total budget of US\$1,524,156.11 required for project implementation into the number of direct beneficiaries (9,135 microproducers by the fourth year), each beneficiary will cost US\$165.75. With such low investment per beneficiary, the target population will have the opportunity of receiving timely and adequate training in management, production techniques, and marketing that will help beneficiaries increase benefits and generate more jobs.

C. PROJECT DESIGN AND IMPLEMENTATION.

The major elements of project design and implementation were presented in Item 3.2, part A of this grant application. No subgrant will be granted through this program. Professional services will only be contracted in the case where the FDD does not have the necessary human resources and/or technical infrastructure, when FDD personnel are not capable of covering specific training contents, or when specialized technical assistance is required from collaborating institutions.
(SCHEDULE)

1. IMPLEMENTATION SCHEDULE

The project implementation schedule includes through the following stages:

START-UP.

- Preparing the action plan.
- Defining beneficiary profiles through diagnosis.
- Designing materials and instruments to be used.
- Training project personnel.

IMPLEMENTATION.

- Implementation of training activities for beneficiaries.
- Follow-up for practical application of skills and techniques.

EVALUATION.

- Evaluation of results and project impact.
- Feedback.

1.1 START-UP STAGE.

At this stage of the project, an action plan will be prepared in order to take fundamental steps to begin operations. Contact with several institutions that are implementing similar programs will be made in order to coordinate mutual collaboration programs, to take advantage of available experience, teaching aids, and human and technological resources.

This stage also includes personnel training to reinforce technical and methodological knowledge, as well as handling of implementation, follow up, and control instruments.

Also contemplated at this stage are the procurement of equipment, design of teaching aids, as well as tools for control and monitoring.

1.2 IMPLEMENTATION STAGE.

This stage mainly includes events and activities that will offer training opportunities to program beneficiaries. It also includes other activities related to reinforcing institutional ability to effectively implement the program.

The first step is to evaluate target populations in order to identify weaknesses. Events and activities will focus on identified needs. Diagnosis will be done using FDD technical equipment and field personnel. Given the type of dynamic and continued education model that will be used, training programs will be ready as soon as the first results are in, in order to respond to the needs and expectations of the population that require immediate attention.

Processing and comparing these evaluations in terms of programs and geographic areas, will also allow us to identify common needs and weaknesses that will call for regional and/or national events. We will also be in a better position to prepare the necessary teaching aids for each content area.

The second step is to prepare a schedule of events for the first year of implementation. It will fit the particular characteristics of the microbusiness, small business, craftsmen, and farmer programs, considering provincial, regional, and national environment, as well as the geographic areas where they are to be implemented.

Programming must be viewed as an approximate guideline, not as a fixed schedule, since participants are frequently submitted to unexpected changes that could require program adjustments, to give a timely and fitting response to their needs.

As a complement to institutional capacity and collaborative agreements with other institutions, specialized services will be contracted with independent institutions and/or professionals, from the Dominican Republic and abroad, in order to provide adequate training for FDD personnel and beneficiaries, in the case where our institution is not able to provide it.

The third phase of this stage is to implement events and activities contemplated in the schedule for each program, province, and region. Such events and activities will be held mainly in the communities where participants live.

Each event includes a number of steps and tasks, which mainly consist of: design, promotion, motivation, preparation and/or procurement of teaching material, logistics, implementation, and evaluation.

The technical team at the main office will be responsible for design, teaching support, and logistics.

Promotion, motivation, and local resource coordination will be handled by the field personnel in charge of each geographic area.

Teaching-learning conditions and topic presentation will be the responsibility of field personnel, technicians, and professionals from other institutions who will be hired specifically for that purpose. The technical personnel from the main office will also be involved in major events.

Evaluation of activities will be assigned to field personnel and/or the technical team from the main office. Evaluations will measure the level of learning achieved in each content area.

Follow-up and feedback obtained by field personnel in their daily consultations are a very important part of the training process, because only when the trainee applies what has been studied, it may be said that educational goals and objectives have been met. Training only has the expected impact when what is learned promotes growth and development.

1.3 EVALUATION STAGES.

There are three evaluation stages: Result evaluation, impact evaluation, and feedback.

IMPLEMENTATION SCHEDULE

	FIRST YEAR												2nd. YEAR	3rd. YEAR	4th. YEAR		
	1	2	3	4	5	6	7	8	9	10	11	12					
1. START-UP PHASE																	
- Develop Action Plan	xxxxxx																
- Contact Institutions with related projects	xxxxxx																
- Personnel training		xxxxxx															
- Design and procurment of training materials and equipment		xxxxxx	xxxxxx			xxxxxx									xxx	xxx	xxx
- Improvement to training center in Santo Domingo	xxx	xxxxxx	xxxxxx														
- Identify training sites in project areas	xxxxxx	xxxxxx															
2. IMPLEMENTATION PHASE																	
- Evaluation Study			xxxxxx	xxxxxx											xxx	xxx	xxx
- Program training activities			xxxxxx	xxxxxx	xxxxxx										xxx	xxx	xxx
- Contact entities/ persons for specialty training services						xxxxxx	xxxxxx										
- Conduct training activities as programmed	x x x	x x x	x x xx	xxxxxx	xxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx									
- Monitoring and feedback	x x x	x x x	x x xx	xxxxxx	xxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx									
- Reinforce personnel						xxxxxx								xxx	xxx	xxx	xxx
3. EVALUATION PHASE																	
- Evaluations and progress reports								xxx						xxx	xxx	xxx	xxx
- Impact evaluation													xxxxxx	xxx	xxx	xxx	xxx
- Final evaluation and report																	

The evaluation of expected project results seeks to verify that the program is being implemented according to previous plans in its different components, strategies, and programming. It also seeks to ensure that activities comply with previously set teaching-learning objectives.

Impact evaluation has to do with measuring the project's effect on target population. In its broader sense, impact evaluation should indicate the level of progress observed in the process of growth and development of microproducers, mainly in terms of increasing their capacity to generate employment, obtain profits, and improve living conditions.

The third part of this stage is to incorporate adjustments, changes or additions to the strategy for components, content, procedures, and tools, so that results may be improved based on feedback.

2. DISBURSEMENT PLAN, PROCUREMENT PROCEDURES, AND RELATED CONTROLS.

In accordance with the project implementation schedule, the events and activities planned for the first calendar year, and the budget, the disbursement plan for the proposed AID grant funds (US\$816,206.00) is described on attachment 1.

Project implementation funds obtained from the AID grant will be managed through a separate bank account. Accounting records will be kept in accordance to current FDD systems for fund accounting, and in separate ledgers for project financial operations. Procurement will be done by obtaining three quotations from different commercial establishments (whenever possible), strictly following AID regulations and recommendations.

3. MONITORING GUIDELINES.

Monitoring and supervision of project implementation will not only focus on completion of events, activities, and tasks, but also see that beneficiaries of educational activities begin implementing acquired knowledge in order to achieve their developmental goals.

In order to do this, the training unit, directly responsible for project implementation, will use several mechanisms and tools.

- As has already been stated, scheduling of events and activities will be based on a diagnosis that will direct actions toward real priority needs and weakness areas for each beneficiary.

- The implementation plan includes a general projected schedule for each year, in each program and province. The schedule will be

continually reviewed and adjusted to specific conditions at every moment, so that it may respond to changing situations in the target population. This programming will allow us to direct the design, promotion, installation, logistics, teaching support, implementation, evaluation of events and activities in the different provinces or regions in an organized and timely way.

The training unit will use a battery of forms for monitoring implementation.

- Monthly programming: It defines events and activities that will actually take place during the next month in each one of the provinces or regions. It facilitates logistic and teaching support arrangements required for completing the activities. It also helps coordinate resources and factors that guarantee the best results.
- Monthly report: This form will inform the Training Unit about events and activities held during the preceding month, including general data that will feed Program Statistics, offering evaluations of specific results for each event and activity.
- Periodic meetings with field personnel: Every two months, all personnel involved in the project will meet at FDD headquarters, with the purpose of reviewing and adjusting programming, offering feedback to personnel from the experience of the previous period to direct actions in the correct direction.

Comprehension of conceptual aspects, methodology, policies, and strategy of the institution in relation to the training project will be reinforced. The exchange of experiences, coordination and collaboration between provinces will be promoted.

In addition to meetings at the central office, every two months, meetings will be held in the different subregions, specifically to analyze program implementation in each province of the subregion. The meetings will seek to verify the extent in which the work that is being done is helping beneficiaries overcome weaknesses and incorporate practices that will promote growth and development. Eventualities and limitations that may affect program implementation will be identified. Appropriate actions will be taken to take advantage of some and overcome others. The handling of techniques and tools will be reinforced for activity coordinators.

- Follow-up visits, supervision, and technical assistance will be organized in order to verify and/or reinforce methodology application, techniques and tools of each coordinator-instructor.

Meetings will also serve to observe the development of specific activities, as well as to verify coordinator follow-up in the practical application of knowledge.

- Gatherings will be organized at a subregional level with representatives from different groups of beneficiaries in order to obtain feedback and validate the effectiveness and adequacy of contents, methodology, and techniques.
- Every six months, a progress report of the project and a financial report will be prepared, in order to inform ENTRENA and AID of the operations and advances for the project during this period.

4.0 TENTATIVE CALENDAR OF TRAINING ACTIVITIES THE FIRST YEAR.

Agriculture Program:

FIRST MONTH

<u>Amount</u>	<u>Activity</u>	<u>Topic</u>
12	Lectures	Social reality.and personal development
10	Talks	Value of money and time. Credit, man, family, business, and society.
15	Demonstrations	Soil management.
7	Audiovisual Presentations	Personal development.

SECOND MONTH

12	Lectures	Social reality.and personal development
10	Audiovisuals Presentation	Personal development
10	Talks	Importance and method to establish plans with goals and means to achieve them.
15	Demonstrations	Water management.
3	Demonstration Plots	Rice Production.

THIRD MONTH

11	Talks	Social reality.
13	Audiovisual Presentations	Aspects of Personal Development. Group aspects.

10	Lectures	The value of money in time. Credit, man, family, business, and society.
15	Demonstrations	Animal traction.
2	Courses	Managerial elements.
3	Study sessions	Leadership.

FOURTH MONTH

10	Talks	The value of money in time. Environmental deterioration. The environment and its consequences. Managing natural resources.
2	Gatherings	Sharing experiences.
4	Workshops	The rural sector. Accounting.
15	Audiovisual Presentations	Ecology and environment.

FIFTH MONTH

10	Talks	The importance of forestation.
20	Audiovisual Presentations	Ecology and environment.
15	Demonstrations	Corn production.
2	Courses	Basic managerial concepts.
10	Study sessions	Accounting.

SIXTH MONTH

10	Lectures	The value of money in time.
20	Audiovisual Presentations	Practices and use of products that deteriorate the environment.
1	Seminar	Rice marketing.

- 3 Experimental
Parcels Bean production.
- 4 Workshops The rural sector.
-

SEVENTH MONTH

- 10 Lectures Management.
- 2 Gatherings Sharing experiences.
- 20 Audiovisual
Presentations Group aspects. Production aspects.
- 1 Short courses Marketing. Elements of administration.
-

EIGHTH MONTH

- 10 Lectures Man, Family, and society. Characteristics of
the Dominican man.
- 1 Seminar Processing and marketing grapes.
- 2 Short courses Rice production. Corn production.
- 15 Demonstrations Grape production. Handling of soil. Handling
of water.
- 5 Workshops The rural sector.
- 2 Demonstrations Handling pesticides.
- 10 Study sessions Parliamentary proceedings. The function of
leaders.
-

NINTH MONTH

- 10 Lectures Attitudes and behavior that hinder personal
development. Managing resources.
- 1 Gatherings Sharing experiences.
- 10 Study sessions Group structure. Marketing.
- 2 Demonstrations Pesticides.

TENTH MONTH

12	Talks	Social reality.
4	Audiovisual Presentations	Group aspects. Ecology and environment.
3	Demonstrations	How to use pesticides.
12	Study sessions	Elections. Legal incorporation.
3	Evaluation sessions	Project implementation.

ELEVENTH MONTH

12	Talks	Social reality. The importance of and the way to establish a life plan.
1	Seminar	Ecology and environment.
5	Audiovisual Presentations	Human relations. Promotion and human development.
5	Workshops	Work committees.
2	Short course	Grape production.
12	Study sessions	Accounting.
3	Sessions	Project progress.

TWELFTH MONTH

11	Talks	Social reality. Second level organizations.
3	Evaluation Sessions	Project progress.

TOTAL NUMBER OF ACTIVITIES FOR FARMERS:

70 TALKS.
9 EVALUATION SESSIONS.
90 LECTURES.

- 9 SHORT COURSES.
- 3 SEMINARS.
- 57 STUDY SESSIONS.
- 75 DEMONSTRATIONS.
- 18 WORKSHOPS.
- 11 EXPERIMENTAL PARCELS.
- 1310 PARCEL/DOMICILE VISITS.
- 5 MEETINGS.
- 116 AUDIOVISUAL PRESENTATIONS.

PROGRAMS FOR MICROBUSINESSMEN, SMALL BUSINESSMEN, AND CRAFTSMEN.

<u>Amount</u>	<u>Activity</u>	<u>Topic</u>
FIRST MONTH		
3	Study sessions	Structural Adjustment measures and their effect on business.
5	Workshops	Production aspects.
5	Talks	Credit: the value of money in time.
1	Courses	Basic business administration concepts.
5	Gatherings	Sharing experiences.

SECOND MONTH		
3	Study sessions	Adjustment measures and their effect on business. Crisis and its impact on business.
1	Conference	The informal sector.
3	Workshop	Production aspects.
1	Seminar	Dominican social reality and business.
10	Audiovisual Presentations	Managerial and administrative aspects. Group aspects.
5	Meetings	Sharing experiences.

THIRD MONTH

4	Courses	Basic business administration aspects.
2	Lectures	Man, family, society, and business.
5	Study sessions	Adjustment measures and their effect on business. Accounting.
10	Audiovisual Presentations	Managerial and administrative aspects. Group aspects.
11	Demonstrations	Production techniques.

FOURTH YEAR

5	Study Sessions	Inflation and its impact on business.
6	Courses	Accounting.
8	Talks	Credit. The value of money in time.
10	Audiovisual Presentations	Managerial and administrative aspects. Group aspects.
12	Demonstrations	Production techniques. Managerial and administrative aspects.

FIFTH MONTH

5	Study sessions	Business controls.
2	Lectures	The informal sector.
1	Gathering	Sharing experiences.
10	Audiovisual Presentations	Managerial and administrative aspects.
6	Short courses	Accounting.
4	Workshops	Production aspects.

SIXTH MONTH

10	Lectures/ Conference	Man, family, society, and business. The informal sector.
1	Seminar	Business regulations.
7	Talks	Business sanitation.
5	Workshops	Production aspects.
9	Demonstrations	Production techniques and use of equipment.

SEVENTH MONTH

1	Course	Basic Accounting.
5	Study Sessions	Accounting controls.
1	Meeting	Sharing experiences.
2	Audiovisual Presentations	Managerial and administrative aspects.
5	Workshops	Human relations.
5	Demonstrations	Production techniques. Use of equipment.

EIGHTH MONTH

5	Study sessions	Business controls.
4	Courses	Production costs.
8	Lectures	The informal sector.
4	Workshops	Human relations.
8	Talks	Bank accounts. Conservation and use of resources.
2	Audiovisual Presentations	Managerial and administrative aspects.
8	Demonstrations	Production techniques. Use of equipment.

NINTH MONTH

7	Lectures succeed	Initiative, creativity and desire to
1	Seminar	Management.
3	Courses	Production costs. Marketing.
3	Workshops	Human relations. Formulation and preparation of projects.
4	Audiovisual Presentations	Managerial aspects. Production organization.
11	Demonstrations	Production techniques. Use of equipment.

TENTH MONTH

6	Evaluation Sessions	Project advance.
4	Courses	Marketing.
1	Workshop	Project formulation.
7	Lectures	Initiative, creativity.
11	Demonstrations	Production techniques. Use of equipment.

ELEVENTH MONTH

3	Lectures	Responsibility toward commitments.
8	Talks	The importance of establishing a life plan.
2	Audiovisual Presentations	Production aspects.
7	Evaluation Sessions	Project advance:

TWELFTH MONTH		
7	Evaluation Sessions	Project advance.
1	Seminar	Management.
5	Study sessions	Inventories.
8	Gatherings	Sharing experiences.
11	Talks	The importance of establishing a life plan.

TOTAL NUMBER OF ACTIVITIES FOR ENTREPRENEURIAL PROGRAMS

29	Short courses.
30	Workshops.
40	Lectures.
50	Audiovisual presentations.
20	Gatherings.
4	Seminars.
42	Study sessions.
47	Talks.
20	Evaluation sessions.
67	Demonstrations.
2,860	Assistance visits.

5. LOGICAL FRAMEWORK.

The following chart presents a diagrammatic summary of the fundamental logical framework for project implementation.

The vertical axis of the chart summarizes a description of project purpose, products, and input. The horizontal axis presents objectively verifiable indicators, verification means, and the most important assumptions that condition project implementation.

Since project results are mainly qualitative, the OVIs and the verification means cannot be completely presented in a quantitative form. After the second year, the possibility of creating an evaluation mechanism with indicators and criteria that can measure project progress in terms of microproducer development in different areas, will allow us to express achieved results in a quantitative form.

D. SUSTAINABILITY:

FDD beneficiaries will reach levels of self-sufficiency and efficiency that will guarantee a self-sustainable development, by receiving training, technical assistance and financing.

Although all FDD programs have always included these three components, most resources received by the institution have been directed toward the financing components. As a result, only limited resources have been available for the training component.

With this project, the FDD will be able to strengthen and broaden its training services, working on the basis of a philosophical approach that defines development as a fundamentally educational process.

Specifically, main office personnel will strengthen its ability to manage the training process, mainly in terms of its design, methodology, and technique, consolidating the necessary human resource infrastructure to offer efficient training services. At the end of the four years of project implementation, procedures and tools form administration and implementation will have been systematized.

On the other hand, we are planning to gradually transfer project implementation costs to beneficiaries, so that the project may continue operating without the need of other local and/or foreign grants. This financial independence will be attained through the application of the following sustainability plan.

Most of the lump costs for FDD administration will be covered with income from fees of associates, from interests generated by loans, and financial allotments for these purposes that are part of grant agreements with other institutions. As a consequence, both in the grant application and in the sustainability plan, this project only contemplates direct and indirect costs for project implementation.

Given the fact that there is a large number of urban and rural microproducers who have no access to the type of services offered by our institution, for a long period of time, the demand will be larger than the supply in all the different institutions that have programs directed to this subsector.

The different stages of the design and implementation process for events and activities contemplate the active participation of beneficiaries, so that they can identify themselves with implementation goals.

Starting with the diagnosis, the program design, motivation, organization, implementation, and evaluation of events will be done with the participation of beneficiaries. The methodological foundation

of the project requires beneficiary participation to help them internalize knowledge, translate knowledge into specific practices, and achieve self sufficiency purposes.