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USAID/DOMINICAN REPUBLIC

ACTION PLAN

FY 1996-1997

April 1995

USAID/DOMINICAN REPUBLIC
FY 1996-1997 ACTION PLAN

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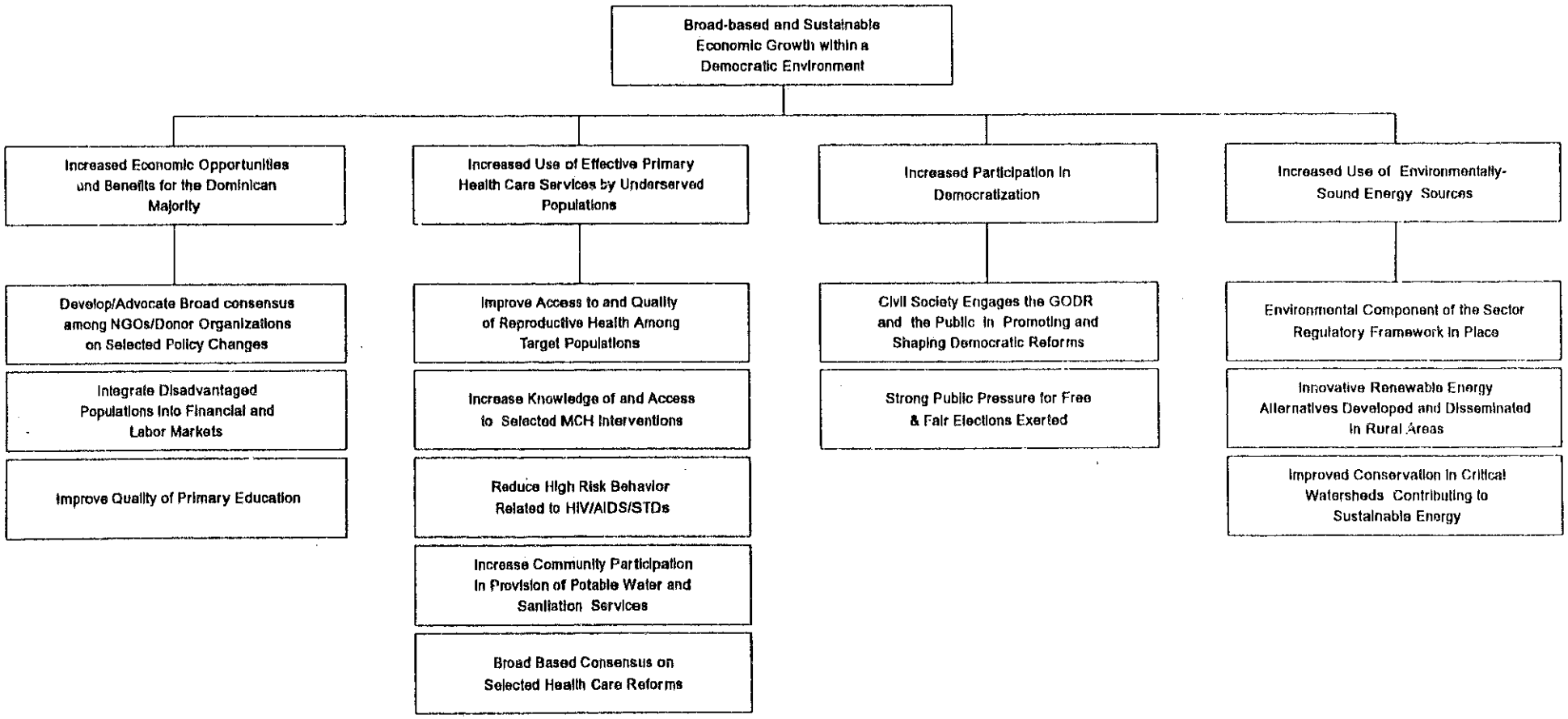
VISION STATEMENT

"In a collaborative style, USAID stimulates critical change to ensure equitable access by all Dominicans to basic social services and gainful employment within a free and just society"

USAID/Dominican Republic
Mission Program Objective Tree



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SECTION I
STRATEGY OVERVIEW

INTRODUCTION:

As the Dominican Republic marks the thirtieth anniversary of its bloody civil war and the U.S. intervention, the established political order has been shaken and apprehension about the country's future leadership and course abounds. Amidst this uncertainty, what is clear is that the country is facing a transition period of considerable proportions.

After a traumatic electoral crisis in 1994, the Dominican Republic is gearing up for presidential elections again in May of 1996. Last year's elections had a record turnout of voters but were difficult and seriously flawed. The resulting political crisis lasted longer than any previous election crisis in recent history. It was only days before the August 16 inauguration date that a political accord was reached -- the Pact for Democracy. The Pact resulted in the enactment by Congress of a constitutional reform that gave President Balaguer a two-year term and prohibited presidential reelection.

While still not a given, forces are strengthening to assure that there will be Presidential elections in 1996. It now appears more likely that Balaguer will, indeed, not be a candidate. After more than sixty years of one individual, first Trujillo then Balaguer, dictating the terms of national life, the Dominican people are coming to grips with the disquieting prospects of transition.

All three major political parties face uncertainty. The Reformistas will be without Balaguer as their leader and none of its current six candidates has a lock on the nomination. The PRD with Peña Gomez and his vice presidential choice, a former Reformista, faces questions about Peña's health after a cancer operation last fall. Juan Bosch has retired from the leadership of the PLD, and three candidates have been selected to run for that party's presidential ticket, with no one front runner. To complicate matters further, the reforms under the Pact for Democracy call for a 50 percent majority to win the Presidency, and it appears likely for the first time in Dominican history that a run-off election will be necessary.

The imminence of change is not limited to the political arena. Evidence of bad governance, flawed policy, poverty, and social injustice abound. Corruption in all areas of government has begun to call into question the legitimacy of the state. Last December's Customs scandal is being followed by new ones in the Education Ministry, state agricultural institutions, the Post Office, and the courts. Moreover, the state-controlled energy company approaches a disastrous breakdown in services, the state airline is grounded, and the government's mismanagement of basic commodities has led to serious shortfalls in consumer staples, as well as sharp price hikes.

An authoritarian attitude dating from well before Trujillo's time remains entrenched in the national psyche and throughout all of its institutions. The presidency is the paramount institution, with near dictatorial power. The newly elected Congress has not been able to unite for the broader good and is widely criticized. The excesses of the long

political campaign and unchecked government spending during the post election crises resulted in major economic disequilibriums that were finally addressed in September when a new head of the Central Bank was named and stringent monetary and fiscal control measures were taken. Best guess estimates put real economic growth at some four percent, with retail price increases of about 14 percent. With a population growth of about two percent, overall per capita gains were modest. The country's exchange rate is overvalued, being sustained by high interest rates (the prime interest rate is in the 30 percent range) and a loss of some $400 million in reserves over the year. With net reserves now marginally negative and debt service obligations rising, devaluation, at a modest level, is inevitable in the medium term.

From the standpoint of economic equity, it appears that little progress was made in 1994. Good data is not available, apart from the USAID-funded income expenditure survey/analysis of 1992. Low income wage-earners saw their purchasing power erode, and nominal public sector wages and the official minimum wage were unchanged. The 30 percent of the population (mostly poor) which resides in rural areas and which directly or indirectly derives its income from agriculture also suffered; at best those subsectors most relevant to the poor stagnated.

Public sector spending on social needs continued to be one of the lowest in the Hemisphere. Funding shortfalls for supplies and operating expenses are particularly bad. Public spending on infrastructure gets the priority. Unmet social needs will continue to have a depressing effect on lower class living standards, on economic opportunity, and on the economy's overall economic potential. The growing visa lines at the third busiest visa post in the world for the State Department and the increases in Dominicans opting for the yolas to go illegally to Puerto Rico are indications of the perceived limited opportunity for those at the middle and bottom of the economic scale.

U.S. NATIONAL INTERESTS

The Dominican Republic is an historically friendly neighbor whose support has been and will hopefully continue to be key to our national interests in the region. These include enhanced market access for U.S. exporters, combatting the smuggling of aliens, controlling the spread of AIDS, combatting drug trafficking and other contraband and money laundering, support for the new Haitian government, and promoting stability in the region. The political uncertainty, weak democratic institutions and pervasive evidence of bad governance described above, however, place our interests at risk and serve to heighten concerns about social unrest. To a large degree, emigration -- both legal and illegal-- has served as an important safety valve: roughly one out of seven Dominicans are now thought to live in the United States. The Dominican Republic has become a major drug transhipment point between Latin America and the U.S. and Europe. Combatting the mushrooming AIDS epidemic is also a major issue: the high level of Dominican immigration to the U.S. makes the containment of this epidemic an important U.S. health concern. The difficult tax and regulatory climate also adversely

affects U.S. exporters and businesses. We firmly believe that promoting democracy and sustainable economic development, especially in the aftermath of the Summit of the Americas, are essential to addressing these conditions and protecting core U.S. interests in the Dominican Republic.

USAID's RESPONSE

The USAID/DR program has continued to be shaped by the Dominican reality and has emphasized citizen participation and collaboration with NGOs. The weakness of the governmental structure and its lack of commitment to reform has strengthened the NGO focus of our program: some 90% of our program is implemented through NGOs. The lack of popular involvement in the governmental process has led us to structure projects where NGOs serve as surrogates for participatory democratic institutions. To do this, we have fostered NGO involvement not only in the governance process, but also in democratic organization and participation within and among NGOs. Experience has taught that participation is the key.

The critical element during this transition period is our support of the civil society. Strengthening the democratic process and achieving sustainable development will require active civil society involvement in all sectors of society. We believe our program can well serve as a model for the Administrator's "New Partnership" initiative given our emphasis on building local economic, political and social capacity so that Dominicans can take responsibility for their own future well-being. The USAID/DR strategy fully supports this new initiative, the rationale for which rests on the belief that "the strength of a democracy and the vitality of its economy rest on the degree to which its citizens are actively engaged in and empowered to participate in their communities."

During the past year, the Mission vigorously pursued management and program adjustments required to heighten the Mission's development impact in the context of the difficult political and economic situtation and our own eroding resources. The Mission's enthusiastic participation as an **Agency Reengineering Laboratory** reinforced a no-holds barred review of internal processes and practices which resulted in enhancing staff responsibility and empowerment, adopting a thoroughly vetted Vision Statement and set of values, and establishing a common sense of purpose and direction among the entire USAID/DR staff. Our approach to reengineering was to include the entire Mission and its operation. It has entailed a thorough review of strategic objectives aimed at improving the Mission's ability to manage for results. The outcome of this review -- conducted in the context of an uncertain funding base -- is an enhanced sense of priorities focused on achieving the Mission's goal of "broad-based and sustainable economic growth within a democratic environment".

Within the existing strategic framework, the Mission assessed its strengths and weaknesses in terms of delivering development assistance that can contribute to a better standard of living for an increasingly greater number of disadvantaged Dominican

citizens. The Mission systematically asked how it could enhance its role as catalyst for change in all areas of intervention, drawing upon its well-tested experience in participation and its demonstrated ability to leverage resources from other donors, as well as the local private sector in achieving development priorities. The depth of reflection and the time required for this review exceeded early estimates. One must emphasize that participation is time consuming.

While some of the strategy can still bear further refinement, we are implementing a program in transition towards a new planning period -- hopefully, one with a reformed-minded government legitimately elected and installed in August 1996. We have firmly identified and focused on those elements of the existing strategy where results can be measured, where impact on disadvantaged or underserved populations can be identified, where institutional and environmental sustainability are critical, and where USAID/DR's role as leader among other donors can be effectively carried out. We work in full partnership with selected "flagship" NGOs which constitute the Consultative Councils of several of our projects, seeking advice, consensus, and joint identification of priorities. The councils have a diverse membership and ownership of their project. In turn, these groups increasingly recognize their responsibility to reach out to the second tier of NGOs and community groups for advice and feedback. Such improved "customer relations" have helped USAID/DR identify some dramatic changes for service delivery.

We plan to address the alleviation of poverty through a three-pronged approach. We will have activities that are directly focused on the poor, such as our highly successful Micro and Small Business Development project; those that aim at empowering the poor to have more of a role in determining how government and other institutions respond to their social and economic needs, such as our Democratic Initiatives project; and those that aim at providing a more level playing field for all players in the society by looking at key policy issues, such as the Economic Policies and Practices project.

Relations with other donors also play an increasing important role. USAID/DR has been able to leverage funds for basic education to continue actions initiated under our program, has secured strong consensus for energy sector measures, including environmental regulation, and this past year initiated systematic donor coordination in the health sector.

During this transition period, Dominican civil society will look to us for support and encouragement. There are forces in society which are actively seeking to maintain the status quo despite a change in leadership at the top. The civil society, while weak and somewhat unsure of itself, is showing signs of an increasing willingness to assume its rightful position in society as an autonomous force for advancing the economic, environmental, social, and political elements of sustainable development. Our assistance will be key during this critical turning point in Dominican history. As a medium-sized Mission, however, USAID/DR cannot continue to absorb continued reductions in its resource levels and still be expected to fulfill the agenda outlined in this Action Plan.

Consistent with measures taken over the past several years, the Mission continues to economize wherever possible and has successfully adopted a "catalytic" approach rather than acting as a major service provider. We hope the review of this Action Plan will recognize and endorse these efforts and do everything possible to provide resource levels which will position us to "stimulate critical change" during this challenging transition period.

SECTION II
PERFORMANCE REPORT

Table 1: Strategic Objective Program Tree

Dominican Republic

Agency Goal: Broad-based and Sustainable Economic Growth within a Democratic Environment

Strategic Objective No. 1:
Increased Economic Opportunities and Benefits for the Dominican Majority

PROGRAM OUTCOME NO. 1.1: Develop/Advocate Broad Consensus Among NGOs Donor Organizations on Selected Policy Changes	**PROGRAM OUTCOME NO. 1.2:** Integrate Disadvantaged Populations into Financial and Labor Markets	**PROGRAM OUTCOME NO. 1.3:** Improve Quality of Primary Education
517-0262 Economic Policy and Practice	517-0254 Micro & Small Business Development	517-0251 Private Initiatives in Primary Education
517-0267 Trade Practices and Productivity Improvement	517-0267 Trade Practices and Productivity Improvement	
517-0243 University Agribusiness Partnership	936-6006 PTMS	
517-0264 Economic Education	517-0216 Development Training I	
	517-0247 PVO Co-Financing	
	xxx-xxxx The Participation of Women in the Economy and Reform (POWER)	
	936-4215 LAC/TECH	

A. STRATEGIC OBJECTIVE NO. 1 - INCREASED ECONOMIC OPPORTUNITIES AND BENEFITS FOR THE DOMINICAN MAJORITY

The Dominican Republic is the seventh largest market for U.S. products in Latin America (importing $2.3 billion worth of goods in 1993) and the world's fourth largest supplier of finished clothing to the U.S. Its economic growth rate of approximately 4% in 1994 was respectable. Yet the historical legacy of caudillismo, patronage, and the resulting corruption which permeates the political, social and economic systems of the country continue to be a severe constraint to development and to improving equity. Personal contacts which replace "rules of law" in the domestic sphere as well as in international commerce and trade heighten the distortions of a protected economy, and skew entrepreneurs' reactions to internal and external liberalization proposals -- including participation in GATT and the Free Trade Agreement. In turn, these practices maintain a status quo in which a relatively few families enjoy most of the nation's wealth, leaving the majority of Dominicans out of the country's economic growth. That majority, excluded from most benefits, repeatedly gravitates toward the visa lines in search of new economic opportunities in the United States and elsewhere.

To help address these distortions, USAID/DR reformulated Strategic Objective One (S.O. 1) to reflect a more focused concern on increasing economic opportunities and benefits for the Dominican majority. In concert with other donors, the Mission will continue to use highly participatory projects with socially conscious non-governmental organizations (NGOs) to promote social and economic equity for the majority. This approach clearly reflects the Mission's Vision Statement. It also applies the Mission's three-pronged strategy for addressing poverty issues: dealing with the poor directly, assisting in their empowerment through collaborative NGO projects, and ensuring that the broader policy framework deals with issues that are critical to leveling the playing field for all Dominican citizens.

S.O.1 continues the Mission's successful approach of stimulating policy change through NGO advocacy as well as the widely recognized microenterprise lending and primary education activities. In focusing on the gainful employment aspects of the Vision Statement, it takes a broad approach which emphasizes investing in people, largely through education and workers' skills training. Thus it responds well to LAC and Agency guidelines for economic growth activities. This strategy recognizes that because of its resource limitations, USAID/DR can effectively manage <u>only</u> carefully targeted catalytic interventions in support of economic growth. S.O. 1 interventions also support a number of the Summit of the Americas initiatives, including the USG priority commitments to microenterprises and small businesses, the role of women in society, universal access to education and increased free trade in the Americas.

With respect to trade, the Mission's approach is to ensure that micro and small enterprises become better integrated into internal as well as external markets. Support

for elimination of regulatory and institutional barriers through NGO and donor advocacy, access to financial sector resources, and development of business and negotiating skills for entrepreneurs and workers are tools that will be used.

In the last Action Plan, considerable attention was given to the links between economic growth prospects and the need to reform the electrical energy sector. USAID/DR 's commitment to this area continues. However, while the country 's commitment to truly reformed public ownership of the primary electrical utility remains in the balance, USAID/DR is exploring other avenues to increase electrical availability to the poor. Because electrical energy production is so environmentally sensitive, the electrical energy program outcome previously found under S.O.1 has been moved to S.O. 4., where it is discussed as part of a sustainable energy strategy.

The three program outcomes for S.O.1 are:

--P.O.1.1. Develop and advocate a broad consensus among NGO and donor organizations on selected policy changes.

--P.O.1.2. Integrate disadvantaged populations into financial and labor markets.

--P.O.1.3. Improve the quality of primary education.

Program Outcome 1.1: Develop and advocate a broad consensus among NGO and donor organizations on selected policy changes:

Revision of misguided, myopic, or otherwise inappropriate policies, through broad-based NGO impetus and advocacy is a key component of USAID/DR's support for economic growth. This approach provides the leverage for our small program to have major long-term impact on this society and its economic achievements. The Mission pursues economic and social policy reform:

- Primarily, by partially underwriting the policy reform and economic education (through public media) programs of like-minded NGOs. In addition to fostering technically superior policy proposals, this introduces an element of transparency and public participation. The Economic Education project and the Economic Policies and Practices project support NGOs in these efforts.

- Secondarily, by promoting a sound common donor policy agenda which cross links our activities with those of the IBRD, the IDB, the IMF, and where possible other bilateral donors. The Mission maintains close contacts with visiting IBRD, IDB, and IMF teams to exchange views on an appropriate macroeconomic agenda, and to develop a mutually reinforcing dialogue with the GODR. In the energy field, we coordinate closely with the IDB and IBRD on parallel projects. This generates and sustains a

common policy agenda for the sector. The interrelated energy projects, like those in education, are seen as a model for similar coordination proposed for the health sector.

USAID/DR complements these activities in areas relevant to economic growth but outside the immediate scope of our strategic interests by direct dialog with key economic actors and by working closely with the Country Team on high leverage trade policy questions.

The well targeted, counterpart-leveraged subgrants of the Economic Policy and Practices (EPP) Project actively promote a full policy agenda. In these endeavors, the NGOs are careful to ensure that gender and environmental aspects of policy questions are addressed.

-- In trade promotion, NGOs receiving EPP funding were instrumental in achieving: a liberalized foreign exchange regime for all exports and elimination of mandatory foreign exchange surrender for traditional exports; a 300% increase in European Union's banana quota for the DR; reduction in non-tariff barriers on exports to Haiti; passage of GATT legislation; and development of foreign investment legislation. They also provided advice to the government in thinking through its economic integration strategy and held seminars to educate small exporters in the countryside as to export possibilities and techniques.

> The Economic Education project is instrumental in raising public understanding of economic issues in general, and particularly active in countering protectionist propaganda. For example, the Fundación Economía y Desarollo (FEyD) published a supermarket price comparison between Santo Domingo and Miami to illustrate how import tariffs and barriers rob the poor and serve vested interests.

-- In the area of modernization of the state, EPP-funded NGOs changed the attitude of sugar mill workers on privatization, focused attention on budget imbalances (particularly the slighting of the social sector), and are working to make practical capital market access for small business. Economic expertise from NGOs also assisted key legislative committees to expedite and craft major pieces of legislation such as the Foreign Investment Law.

-- A number of activities directly target poverty. Grass roots barrio leaders are being trained to understand economic issues and to effectively lobby these issues on behalf of their members. NGOs are undertaking analyses of government spending and advocating/identifying social sector spending needs most directly relevant to poverty reduction. Efforts are being made to explore options for reform of the social security system, which presently is little more than an additional tax on low income workers. In addition, an NGO with project funding is preparing a major program to address rural land titling issues. In many rural

areas women cannot receive land titles; in others, administrative and legal obstacles effectively block all small title recording. Without legal title, the land is worth less and credit is exorbitant. This activity will in effect prepare the ground for a far larger effort to be funded by the IBRD and IDB in this area.

In line with the redefinition of this Strategic Objective to demonstrate impact more directly, the set of priority policy areas has been revised to address:

-- poverty questions. Recognizing that the anti-poverty constituency has very limited resources, USAID/DR has reduced counterpart requirements for activities in this area.

-- fiscal policy/budget reform. The primary interest is in improving the pattern of government expenditures, especially for the seriously underfunded social sectors, but revenue mobilization and tax reform are equally important.

-- equitable access to financial resources. This would encompass credit policy as it affects micro, small, and medium size enterprises. Land titling reform is also related to this focal area.

-- free trade in the context of the hemispheric vision expressed at the Summit of the Americas, focused on removal of barriers to trade (both internal and external) particularly for small/micro enterprises.

Program Outcome 1.2: Integrate disadvantaged populations into financial and labor markets:

USAID/DR is narrowing its interventions to those aimed at better integration of small businesses and microenterprises into the financial and labor sectors. Work done to-date under USAID/DR's economic growth program and the extensive gender disaggregated research base, both in the export-oriented industrial sector and in microenterprises, has created conditions favorable to narrowing the program focus. Several credit programs previously established with local financial institutions, such as the Section 108 account and FIDE and FONDOMICRO funds, will all continue to generate credit reflows until the end of this century. The institutional structure for trade and commerce is firmly in place. Thus we will support activities geared to basic worker skills development and enhanced capacity to advocate pro-labor policies/practices rather than broad trade issues. USAID/DR will limit its activities to those directed towards assisting the Dominican majority to move into the economic mainstream, and then <u>only</u> with full NGO and donor collaboration.

The first five years of this decade established that micro and small business lending can be economically sustainable, can fill a critical market niche, and can reach poorer segments of the Dominican majority. That having been accomplished with considerable

success in the Dominican Republic (especially through ADEMI, a pioneer in the Hemisphere), it is time to move on to more highly leveraged lending programs offering greater impact for the limited amount of funds that USAID/DR might be able to invest in this important sector in the future, especially to small business enterprises. The currently active portfolio of microenterprise lending is nearing its end and will not be continued in its present form. Since the beginning, these programs directly reached nearly 80,000 borrowers -- but there are some 320,000 potential small/microenterprise credit clients. Extensive documentation concludes that the absorptive capacity of present NGO lending programs has been reached and that a new approach is in order. To protect USAID/DR's investments over the years, in both microenterprise and rural credit union projects, it is important to address the limitations of banking regulations in the Dominican Republic as well as finding better leveraging mechanisms to reach disadvantaged clients. With the collaboration of the Global Bureau (using a virtual team member), the Mission is now completing an assessment which reviews options for carefully targeting future activities.

> From a one-desk office in 1983, established with a start-up grant of $500,000 from USAID/DR, ADEMI has grown into an organization of 23 offices and a loan portfolio of some $15 million. Over 88,000 loans have financed 28,800 micro and small businesses, strengthening or creating about 150,000 jobs. ADEMI is famous for speed of service: first time loans are approved within four days and subsequent loans withing 48 hours, compared with one to three weeks for most microenterprise financing organizations. The average delinquency rate of 4.4% and default rate of slightly over 1% are outstanding for any type of lending institutions. Women hold about 40% of the loan portfolio.

In addition, the Trade Practices and Productivity (TPPI) project has been refocused-- elements with the GODR have generally been dropped, work with NGOs continued, a cooperative grant was signed between the Mission and the American Institute of Free Labor Development (AIFLD), and a major skills training cooperative agreement with a local private university is being finalized. As a result, USAID/DR resources are more directed towards empowering the Dominican majority to achieve "gainful employment within a free and just society".

The Dominican labor force consists of approximately 3.3 million workers. Close to half of these are employed in manufacturing, with approximately one third in services, and the remainder in agriculture. A notable minority of the work force is engaged in the informal (i.e. unregulated) economy and a significant portion of the labor force earns a wage at or near the minimum wage, which is currently about 133 dollars per month for large private companies.

An average Dominican worker labors 2,200 hours per year for an average salary thirty times lower than that of a worker in Japan, and forty times lower than a worker in the

United States. Between 1990 and 1994 real wages declined 14% in large firms, 22% in trade zones, 13% in small/micro businesses and agriculture and 38% among public employees. (L. Vargas, La Revista Economica, Vol. I No. 15, 1995). In addition work skill levels of these same groups remained low, as did their primary education levels, making the most disadvantaged and poorest populations the hardest to place in businesses trying to remain competitive in the increasingly liberalized world economy. While Dominican law permits the formation of unions by 20 or more workers in a workplace, and while the country has one of the best written labor laws in the region, this law is not implemented and efforts to organize labor remain precarious. Unions have no powers or benefits until they are able to obtain the support of an absolute majority of a work force in a plant or company, and even then it is difficult for them to be an effective bargaining agent. This situation stimulated USAID/DR to conclude a grant agreement with the American Institute for Free Labor Development (AIFLD) to help implement the law by working with 2,500 labor leaders in nearly 500 unions to see that workers' rights and workplace health and safety standards are improved during the next three years.

The economically disadvantaged are clearly the focus of present and proposed activities. In its catalytic role, USAID/DR will assist beneficiaries, through NGOs, to become better empowered to change not only their personal status quo, but that of the economic system in which they work. Increasingly the Mission will focus on the economic viability, growth and formalization of women 's as well as men 's microenterprise activities, and on eliminating artificial barriers to transition from a subsistence-level informal economy to a growth-oriented and increasingly formalized economy. This approach will resist gender-based occupational segregation which impedes the efficient functioning of labor markets and causes depressed earnings for women who are too often stereotypically trained only to operate sewing machines in free trade zones. Through increased skills training (under TPPI) beneficiaries will be trained for empowerment, helping them gain access to productive resources, including land and credit, by both women and men. The greatest challenge for USAID/DR, and an area in which it has a comparative advantage, is to assist workers to develop practical skills adaptable to a rapidly-modernizing economy. This includes assisting workers to acquire new skills through productivity training as well as training in collective bargaining, establishing and operating union-management health and safety committees, workers' rights and judicial protection, and conflict resolution, mediation and arbitration.

It is not in the manageable interest of USAID/DR to directly assist all of the estimated 3 million plus employees in the workforce, so the Mission is concentrating its efforts around those most closely linked with microenterprises and the rural poor, especially women. This means consolidating and building upon substantial previous financial inputs in these areas. Also, mass communication will be increasingly used to stimulate critical change in the workplace and to build skills among as many of the Dominican majority as feasible.

The table below provides a quantitative measure of how many persons will be **integrated into the financial and labor markets.** These are conservative measures and are based on current actual reporting from each of the ongoing projects.

Increase Number employed by 30,500/year	Continue $30 Million credit to Clients
◆ 15,000 under Section 108	◆ $10 million/year, Section 108
◆ 1,000 under PVO-Cofinancing	◆ $15 million/year, FIDE agribusiness
◆ 10,000 under Micro & small business	◆ $ 1 million/year, FONDOMICRO
◆ 4,500 under FIDE agribusiness reflows.	◆ $ 2 million/year, PVO-Cofinancing

Program Outcome 1.3: Improve the quality of primary education:

USAID/DR's Private Initiatives in Primary Education Project (PIPE), which began in 1990, has achieved great success in accomplishing its goals of improving the quality, efficiency and relevance of instruction in primary education. EDUCA, the Dominican private sector institution which implements this project, has been a prime force behind the changes that have taken place in the education sector.

EDUCA has earned nationwide recognition as a multipartisan private entity dedicated to serving as a catalyst for educational improvement and delivering high quality services in the Santo Domingo area. Working with the Ministry of Education and hundreds of NGOs, EDUCA played a key role in creating national consensus for the elaboration of a Ten-year Plan to reform the educational system. Approved by the administration, the Education Reform Law developed under this Plan is currently under review in Congress. The Plan has already succeeded in leveraging a total of $125 million in IBRD and IDB financing; the design of the second phase of the IFI intervention is currently nearing completion. This success will likely allow USAID to move out of this sector after the mid-1997 PACD of the project. Coordination with government and donors will be needed, however, to ensure the implementation of the law once it is passed. For this, USAID/DR seeks Bureau support in pressing for tough IFI Conditions Precedent.

Many of EDUCA's successes warrant mention. On the technical side, 7th and 8th grade mathematics and Spanish textbooks developed through the organization were approved by the Ministry of Education (MOE) for use on a national scale and distributed throughout the country by the IFIs. The MOE also adopted the 4th and 8th grades

achievement tests formulated by EDUCA. Support for school administrator and teacher training also had a major impact on teacher morale and motivation, and gives impetus to creative mobilization of businesses and communities in local school districts to support school plant and programs.

> A keystone of EDUCA's advocacy strategy is a continually evolving public awareness campaign to maintain interest in the importance of primary education and recognition of the constraints to developing an efficient nationwide public school system. One daily newspaper features a weekly "education page". Catchy slogans, such as "Education, a national obsession" or "Educating is teaching how to live better", capture the public imagination and are printed on supermarket advertising pages and grocery bags, as well as disseminated through free radio and TV spots.

As an advocate for education, EDUCA was instrumental in including in the new Educational Reform Law a provision for minimum funding allocations to the sector of 15% of public expenditures and 4% of GNP. This provision has implications for other social sector expenditures as well.

USAID/DR's strategy is to continue assistance to teacher training through the PIPE project and to strengthen the PIPE Management Information System to serve a multipurpose function. Primarily designed as a comprehensive school data base, it will serve to diagnose and plan strategic interventions aimed at the most deserving schools. An additional benefit of the system is the use of the data for policy dialogue and public advocacy purposes.

Other donors:

Other donors control the major financial inputs which will largely determine whether there is success or failure in the Dominican macroeconomic situation. The World Bank and IDB manage multimillion dollar loans such as reform of the financial sector, regional integrated development and the loans for revitalizing the electrical infrastructure. But in such areas as direct human resource development and empowerment of people based upon popular participation, the large donors lack USAID 's comparative advantage. This is especially true in the Dominican Republic where the Mission has used highly-participatory non-governmental organizations to implement pilot projects, many of which have later been funded on a large scale by the big donors. The now-terminated *On Farm Water Management Project*, for example, began with modest USAID/DR inputs and lots of technical assistance, but once its feasibility was established the big donors came in to provide the multimillion dollar funding required to implement this grass-roots activity on a national level. As the USAID 's vision statement states, the "USAID stimulates critical change..." as a catalyst working with others. Other donors have repeatedly indicated their agreement to this approach and have complied with their commitments in the areas of irrigation, education and the electrical sector. They also recognize that the USAID has a comparative advantage dealing with disadvantaged poor populations.

Table 2: Strategic Objective Performance

Dominican Republic

STRATEGIC OBJECTIVE NO. 1 - Increased Economic Opportunities and Benefits for the Dominican Mayority

Indicator No. 1: Poverty level				
Unit: Percent of population under poverty line		Year	Planned	Actual
Source: National Household Consumption, Income and Expenditure Survey	Baseline	1992	---	20.63
Comments:	Target	1997	18.0	**

Indicator No. 2: Unemployment/Underemployment Rates				
Unit: Percent of total population		Year	Planned	Actual
Source: Economic Survey/Embassy	Baseline	1995	---	30/20
Comments: First figure unemployment - second figure is underemployed		1996		
		1997		
		1998		
		1999		
	Target	2000	25/15	

Indicator No. 3: School Desertion Rate				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1994	---	20%
comments: Public and private schools rate		1995	19%	
		1996	18%	
		1997	17%	
		1998	16.5%	
	Target	1999	16%	

Dominican Republic

PROGRAM OUTCOME NO. 1.1 Develop/Advocate Broad Consensus NGOs/Donor Organizations on Selected Policy Changes

Indicator No. 1: Widespread National Debate on Government Social Sector Expenditures				
Unit: Qualitative assessment		Year	Planned	Actual
Source: Media coverage (Newspapers, radio/TV programs)	Baseline	1994		
Comments		1995		
		1996		
		1997		
		1998		
	Target	1999		

Indicator No. 2: Widespread National Debate on Micro/Small Business Trade Issues				
Unit: Qualitative assessment		Year	Planned	Actual
Source: Media coverage (Newspaper, radio/TV programs)	Baseline	1994		
Comments		1995		
		1996		
		1997		
		1998		
	Target	1999		

Indicator No. 3: Sustained Donor Consensus on key policy issues				
Unit: Qualitative assessment		Year	Planned	Actual
Source: Donor Meetings	Baseline	1994		
Comments: Priority policy areas: -fiscal reform, especially social sector expenditures -administrative decentralization -energy sector issues, especially environmental regulation		1995		
		1996		
		1997		
		1998		
	Target	1999		

DOMINICAN REPUBLIC

PROGRAM OUTCOME NO. 1.2 - Integrate Disadvantaged Populations into Financial and Labor Markets

Indicator No. 1: New employment in Micro and Small Business Sector receiving loans from NGOs

Unit: Jobs created (FTE), (cumulative)		Year	Planned	Actual
Source: NGO lending records	Baseline	1992	F 3,500 M 4,000	F 3,850 M 4,350
Comments: Targets refer to jobs directly attributable to USAID		1993	F 8,250 M 9,000	F 8,100 M 9,150
		1994	F 12,600 M 14,100	F 14,300 M 16,200
		1995	F 28,700 M 32,000	
		1996	F 43,000 M 48,500	
		1997	F 57,500 M 64,500	
	Target	1998	F 72,000 M 80,500	

Indicator No. 2: NGOs Continue Providing Credit to Clients				
Unit: ($000)		Year	Planned	Actual
Source: NGO lending records	Baseline	1990	F 9,000 M 16,000	F 7,500 M 17,500
Comments:		1994	F 9,500 M 20,000	F 9,000 M 21,000
		1995	F 9,000 M 21,000	
		1996	F 18,000 M 42,000	
		1997	F 27,000 M 63,000	
		1998	F 36,000 M 84,000	
	Target	1999	F 45,000 M105,000	

Indicator No. 3: Collective Bargaining Agreements				
Unit: Number of agreements signed		Year	Planned	Actual
Source: AIFLD records	Baseline	1994	--	117
Comments:		1995	123	--
		1996	129	--
		1997	135	--
		1998		
	Target	1999		

Indicator No. 4: Provide legal assistance to enforce labor code				
Unit: No. of workers helped by legal assistance		Year	Planned	Actual
Source: AIFLD Records	Baseline	1995	---	TBD
Comments: Baseline survey currently being conducted		1996	5% Inc.	**
		1997	5% Inc.	**
		1998	5% Inc.	**
		1999		
	Target	2000		

Dominican Republic

PROGRAM OUTCOME NO. 1.3 Improve Quality of Primary Education

Indicator No.1: Standardized test scores at the end of 4th grade				
Unit: Average Score		Year	Planned	Actual
Source: PIPE's statistics reports	Baseline	1994	--	F - 48.5 M - 47.5
Comments: Santo Domingp only		1995	F - 49.0 M - 48.5	
		1996	F - 50.0 M - 49.5	
	Target	1997	F - 55.0 M - 55.0	

Indicator No. 2: Grade level Repetition Rate				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1994	---	16.2%
Comments		1995	15%	**
		1996	14%	**
		1997	13%	**
		1998	11%	**
	Target	1999	10%	**

TABLE 1 : STRATEGIC OBJECTIVE PROGRAM TREE

Dominican Republic

Agency Goal: Broad-based and Sustainable Economic Growth within a Democratic Environment

STRATEGIC OBJECTIVE NO.2:
Increased Use of effective Primary Health Care services by Underserved Population

PROGRAM OUTCOME NO. 2.1: Improve Access to and Quality of Reproductive Health among Target Population	**PROGRAM OUTCOME NO. 2.2:** Increase Knowledge of and Access to selected MCH Interventions	**PROGRAM OUTCOME NO. 2.3:** Reduce High-Risk Behavior Related to HIV/AIDS/STD	**PROGRAM OUTCOME NO. 2.4:** Increase Community Participation in Provision of Potable Water and Sanitation Services	**PROGRAM OUTCOME NO. 2.5:** Broad Based Consensus on Selected Health Care Reforms
517-0259 - Family Planning and Health	517-0259 - Family Planning and Health	517-0259 - Family Planning and Health	517-0247 - PVO Co-Financing	517-0259 - Family Planning and Health
PL-48 Title II	PL-480 Title II	PL-480 Title II	PL-480 Title II	517-0247 - PVO Co-Financing
517-0247 - PVO Co-Financing	517-0247 - PVO Co-Financing	936-5972.31 - AIDSCAP		517-0262 - Economic Policy and Practice
936-3057 - Central Contraceptive Procurement	936-5966.05 - Expanded Promotion of Breastfeeding Program			
936-3023 - Demographic and Health Surveys III (DHS)				
936-3058 - Family Planning Logistics Management				
936-3068 - Association for Voluntary Surgical Contraception				
936-5966.05 - Cooperative for American Relief Everywhere				

B. STRATEGIC OBJECTIVE NO.2 : INCREASE USE OF EFFECTIVE PRIMARY HEALTH CARE SERVICES BY UNDERSERVED POPULATIONS

The public health sector in the Dominican Republic continues to be plagued by low government investment and the inability to prioritize public sector funding to address the most urgent needs. The GODR spends about 1.7% of GNP (or 14% of its budget) on health with over three-fourths going to co er salary costs. This, despite a mushrooming AIDS epidemic, some 1% of the population is now HIV positive according to on-going USAID-funded surveillance. There are an estimated 70,000 illegal abortions per year in the Dominican Republic, testifying to the inadequacy of family planning services. The situation is no better in other public health areas. Out of necessity, the poor look toward the private sector and non-profit organizations for most of their health services. In this context, USAID has given priority to strengthening local NGOs who are committed to filling this health service gap, particularly in the marginal urban barrios and the underserved rural areas.

For a number of years, these public inequities have been redressed through assistance to NGO "wholesale" service delivery systems. Due to budget considerations, changes in national health statistics and the need for a more targeted approach, the Mission seeks to refocus this strategy to increase interventions to specific customers and service delivery areas.

To effect desired impact and manage for results, the core of USAID/DR's assistance will be directed toward a limited set of activities with proven public health impact and high cost-effectiveness. These include HIV/AIDS/STDs, family planning, water and sanitation and policy dialogue. The results sought under the reformulated objective are to:

* decrease high risk births
* decrease infant mortality
* reduce high risk behavior related to HIV/AIDS/STDs
* increase access to potable water and sanitation services to selected communities
* achieve policy reform consensus among NGO partners and donors.

Historically, USAID/DR has supported Maternal and Child Health (MCH) interventions through the provision of technical assistance, training and improving service delivery through the Ministry of Health (MOH) and more recently, exclusively with NGO partners. National MCH indicators continue to improve: a 1995 UNICEF Report on the World's Children shows that infant mortality has dropped from 43 (1991 Demographic and Health Survey) to 40 per thousand (1993). Exclusive up to 4 monthsBreastfeeding has also improved slightly from 9.4% to 10%. A larger gain was documented in the use of ORT, from 31.2% to 37%. In light of these improvements, other donor assistance and USAID anticipated budget cuts, the Mission has decided to

phase out of MCH activities. During a 15-18 month transition period, USAID/DR will concentrate remaining assistance on NGO institutional and program sustainability, as well as strengthening community service delivery systems.

Another element of the refocussed strategy examined efforts in reproductive health improvement. In the past, family planning programs have been designed to deal principally with women in union. Our long experience continues to demonstrate that there is a need to programmatically address the differences in approach to dealing with not only men and women, but also with adolescents. During the transition, USAID/DR, in collaboration with NGO partners will design new and strengthen existing interventions which are based on the realities of reaching these groups in the most needy geographic areas.

Interventions in water and sanitation will concentrate on the demonstration and replicability effect of NGO projects by using the total community participation model which has proven to be successful in the hard to reach rural areas and the urban barrios which have little hope of GODR assistance anytime in the near future.

At this time USAID/DR plays a unique role among ongoing AIDS awareness interventions in its assistance to local NGOs. The Mission's AIDS strategy is to continue with Information/Education/Communication (IEC) efforts to reach high risk groups with a special focus on adolescents; intensify efforts to mobilize the involvement of the private sector to promote AIDS prevention and work to leverage international donor funds for support to components of the National AIDS Awareness and Prevention Strategy.

Integral to the success of the entire S.O.2 strategy is USAID/DR participation in policy dialogue and donor coordination. Recently a Dominican Congressional Committee published a draft general public health law, which would provide a framework for national health sector reform. Considering the complexity and time required to bring this endeavor to fruition, as well as the uncertain political environment, the Mission believes that its comparative advantage is to work toward effecting implementation of select interventions which will contribute to components of an overall national plan.

In an effort to maximize resources, avoid duplication and effect change USAID has been instrumental in the formation of a donor health group. While still in its infancy, the donor coordinating group has united with these common goals. With the support of the MOH, the donors have proposed the formation of an MOH coordinating entity which will serve as the national contact for donor/GODR coordination and maintain a data bank of international assistance efforts.

Program Outcome 2.1: Improve access to and quality of reproductive health services among targeted populations.

Through USAID/DR assistance, NGOs are enabling couples and individuals to have the opportunity and the knowledge to choose the number and spacing of their offspring. Project-supported NGOs are increasing the choices of contraceptive methods available to couples as well as the distribution channels utilized to provide services. For example, during 1995, the injectable contraceptive, Depo-Provera will be provided through NGO clinics and through social marketing. The largest family planning provider in the country has opened the country's first male clinic to provide a range of family planning and reproductive health services. A successful postpartum model established at a large public maternity hospital is geared to be replicated at other maternity hospitals, in Santo Domingo and other major cities.

The Dominican Republic Situation Analysis, completed in 1994 in family planning, identifies both strengths and weaknesses found in the family planning, maternal-child health and HIV/AIDS prevention activities carried out by the NGOs. The study will guide technical assistance to strengthen areas requiring improvement. USAID/DR has also supported the development of a geographic information system to analyze the national coverage of family planning services. Through computerized maps USAID is beginning to work with NGOs and other donors to reduce duplication of efforts and prioritize service expansion.

> USAID continues to work towards improved donor coordination. One recent success is the adoption of a national IEC strategy for family planning which will result in a single set of promotional and educational materials being developed and utilized by the NGOs and public sector institutions, with USAID and UNFPA sharing costs.

Program Outcome 2.2: Increase knowledge of and access to selected MCH interventions.

The Mission has been supporting MCH activities through Child Survival funds since 1988 and with Title II resources for a number of years. To continue the MCH momentum, a consortium of 14 local and US PVOs was formed in 1993 to deliver services in underserved, high risk rural areas and urban barrios. Early efforts in MCH and food aid in the Dominican Republic consisted of a food distribution program with an MCH add-on. This has given way to the innovative MCH/community development project which links food aid directly to the Mission strategic objectives for health/family planning and democratic initiatives.

The Mission continues to support the NGO consortium with service delivery and education benefitting 75,000 women and 60,000 children. A recent mid-term evaluation of the project has shown that the project continues to produce positive results at the field

level but the operating unit of the consortium still requires substantial strengthening before they can stand on their own.

CARE's Title II MCH program works with community groups and the GODR to introduce traditional MCH interventions through 125 rural clinics and through CARE personnel in 137 isolated villages. CARE policy dictates that the community identify their health concerns, participate in problem resolution and assist in evaluating the effectiveness of the selected interventions. Key to the MCH successes to date is a concentrated focus on the empowerment of women through creating awareness and providing them with the skills and knowledge to better respond to the health needs of their family and those of the collective community support group.

The strategic objective exercise dictated a close examination of the Missions's GDO portfolio. Taking into consideration epidemiological statistics for the island, length of USAID's involvement in Child Survival and its successes, PVO strengthening to date, other donor interest and severe budget limitations, the difficult decision has been taken to phase out of MCH activities at the end of FY 96.

The MCH phaseout strategy will include technical assistance to further enhance institutional strengthening efforts, with particular emphasis on the field program components, personnel skills and systems necessary to successfully market projects for future funding.

Program Outcome 2.3: Reduce High-Risk Behavior Related to HIV/AIDS/STD.

Recent evidence suggests that the HIV/AIDS epidemic is well established and widespread in the Dominican Republic. There has been a **43% increase in AIDS cases** (2,589 cases reported) since 1993 of which 88% are now heterosexually transmitted and spreading from the original high risk groups into the general population. The HIV seroprevalence rate for sexually active Dominicans is now 1% with recent projections estimating an increase to 5% by the end of the decade. Factors contributing to this rapid increase are a growing commercial sex industry (male and female); a thriving tourism industry; poverty and social inequity; and migration (including Haitian inflow).

Current programs to address these problems are primarily sponsored by NGOs. It is through the NGO vehicle that USAID/DR has chosen to target its AIDS awareness and prevention efforts. The Mission will continue to target industrial zones and select tourist resort areas to deal with the spread of the AIDS epidemic in the general population.

Innovative interventions in AIDS prevention awareness and knowledge include "provocative theater" which involves interactive participation with the audience, theater skits at bus stops, coffee break discussions, employee of the month parties and face-to-face peer counselor interaction. A health messenger network to involve management and labor leaders in the fight against the spread of AIDS includes 45,000 industrial zone workers; 30 managers from 58 industries have agreed to permit the sale of condoms and the distribution of educational materials in the workplace.

Adolescents in four heavily populated marginal urban barrios of Santo Domingo will be reached with AIDS awareness messages in their own environments (schools, clubs, church groups, and extracurricular events). The intervention will be enriched through training of the health messengers on women specific issues that influence sexual behavior. USAID/DR has been instrumental in the development of a national IEC Strategy for adolescents with a specific initiative developed to bring a mass media campaign to life.

In addition to the new initiatives for the general population, the Mission will continue to work with the traditional high risk groups. Commercial sex-workers are a captive audience for disseminating IEC materials and face-to-face interaction during mandatory monthly check-ups at STD clinics. A select group of CSWs have been trained to deliver theater presentations to CSWs and men involved in the commercial sex industry. Provocative theater involves interactive participation to capture audience attention for the AIDS message dissemination.

USAID/DR will also continue improving local capacity to adequately diagnose and treat STDs through training, a referral system and by lobbying support from the MOH for an adequate drug supply. Finally, the Mission will continue its efforts to promote donor coordination in order to achieve a unified national strategy and leverage other donor funds.

Program Outcome 2.4: Increase community participation in provision of water and sanitation services.

The Mission has been involved for several years in financing NGO projects to increase the provision of water and sanitation services to rural and urban poor as an essential, if not critical, component of an integrated approach to water borne disease management. During recent strategy refocusing, the Mission has decided to recognize these efforts explicitly with a new program outcome to "increase community participation in the provision of potable water and sanitation services to target communities". The results expected are to increase access to potable water and sanitation services.

The Mission's intensified focus is based upon customer demand and the impact of such interventions over the last few years. Recent government statistics show that 75% of

urban residents and only 35% of rural residents have access to water and sanitation facilities. The GODR strategy to address this need, as articulated in the National Plan for this sub-sector expects to increase urban coverage to 90% and expand access to 80% in the rural areas by the year 2000. The strategy stresses active involvement by recipient community residents, including women. The GODR rightly believes that this ambitious goal can only be achieved with the implementation assistance of the donors and local NGO partners. However, a five year time frame is most unrealistic.

USAID/DR's comparative advantage in this area lies in working with NGO partners. In addition to our accomplishments to date, a further contribution to the National Plan is to demonstrate to the GODR and other donors the effectiveness of working with NGO models which demand the participation of community residents in all phases of development activities, not just maintenance of water systems. Current efforts are demonstrating that community residents develop a sense of empowerment through more active participation, resulting in their desiring a greater voice in collective decisions that affect them. Women's participation is also increasing.

> Until now, women in the Dominican Republic would never undertake "men's work" wielding an ax or a shovel. But under the CARE PL-480 Title II Program, the number of women seeking employment is in the hundreds, with some unusual consequences. As manual laborers the women are now earning as much (in foodstuffs) as their husbands earn in food purchasing power, thus bringing them a sense of economic accomplishment as well as improving the family diet.

In partnership with NGOs that have proven track records, USAID/DR's strategy is to focus on 145,000 low income urban residents in the marginal areas of Santo Domingo and a population of 83,000 in rural communities near the Haitian border. These demonstration models will show that an integrated approach to provision of water and sanitation facilities can unite a community and mobilize its members to work for their own betterment long after the taps start running.

PO 2.5: Broad-based consensus on selected health care reforms

There have been two recent, unsuccessful, attempts at formulating a strategy for National Health Care Reform. One was shelved; the other, undertaken almost two years ago, is being used as a basic framework with which the present Commission is attempting to formulate a more realistic strategy for tackling the complex components. Because the Commission is drawing collaboratively on the expertise of a broad specturm of stakeholders, this effort may have a better chance of success. To demonstrate the importance that education plays in all areas of the social sector, the Secretary of Education recently transferred $250,000 to the Commission to assist in its efforts to formulate a realistic reform package.

A number of major activities are now simultaneously underway which will hopefully lead to health sector reform. The General Health Law provides the framework for the larger reform effort. Other initiatives include a presidentially appointed National Health Commission comprising some 50 representatives of the private sector, the Government and NGOs who have been tasked with developing the master plan for National Health Reform; and private sector groups who have been leading a national debate on Social Security reform.

USAID/DR and its NGO partners have participated in a number of ongoing activities which will become components of the larger reform package. They include:

- Technical assistance to update the medium-term plan for HIV/AIDS Awareness and Prevention.

- National Breastfeeding Promotion Plan. Through NGO partners USAID/DR is contributing to the community-based components.

- National Reproductive Health Media Strategy to which USAID/DR will be contributing the development of IEC materials.

- National Plan for provision of Water and Sanitation. Continued implementation of demonstration projects in underserved rural areas and marginal urban barrios.

Our strategy is to work in these areas to help formulate and implement the key Health Sector Plan components where USAID/DR has a comparative advantage as a catalyst for change and can leverage other donor and GODR resources within a realistic timeframe.

Table 2: Strategic Objective Performance

Dominican Republic				
STRATEGIC OBJECTIVE NO. 2 Increased use of effective primary health care services by underserved populations				
Indicator 1: Total fertility rate		Year	Planned	Actual
Unit: Number of children born per women aged 15-49	Baseline	1991	---	3.3
Source: DHS		1996	3.0	**
Comments	Target	2000	2.8	**
Indicator 2: Infant mortality rate for these selected regions				
Unit: Death per 1,000 live		Year	Planned	Actual
Source: DHS	Baseline	1991	---	Region IV-47.4 Region VI-70.7 Region VII-55.8
Comments	Target	1996	Region IV-40.0 Region VI-60.0 Region VII-50.0	**

Indicator 3: High risk births				
Unit: Percent of infants born during past 5 years having high risk characteristics		Year	Planned	Actual
Source: DHS	Baseline	1991	---	50.1%
Comments: Age of mother less than 18 or less than 34 Birth interval less than 24 months Birth order more than 3		1996	40%	**
	Target	2001	33.6%	**

Indicator 4a: Condom use during the most recent act of sexual intercourse				
Unit: Percent of adolescents/young adults using condom during the most recent intercourse		Year	Planned	Actual
Source: Pre and post intervention. KAP survey	Baseline	1994	----	M- 29% F- 6%
Comments: PACD of AIDSCAP project is 9/96, therefore targets have not been set up beyond 1996 yet.	Target	1996	M-40% F-15%	**

Indicator 4b: Condom use during the most recent act of sexual intercourse				
Unit: percent of industrial workers using condom during the most recent intercourse		Year	Planned	Actual
Source: Pre and post intervention. KAP survey	Baseline	1994	---	11.9%
Comments:	Target	1996	15%	**

Indicator 4c: Condom use during the most recent act of sexual intercourse				
Unit: Percent of hotel workers using condom during the most recent intercourse		Year	Planned	Actual
Source: Pre and post intervention. KAP survey	Baseline	1994	---	18%
Comments:	Target	1996	25%	**

PROGRAM OUTCOME NO. 2.1: Improve access to and quality of reproductive health among target populations

Indicator 1: Contraceptive prevalence rate				
Unit: Percent of women aged 15-49 using a contraceptive method		Year	Planned	Actual
Source: DHS	Baseline	1991	---	36.8%
Comments		1996	40%	**
	Target	2000	43.0%	**

Indicator 2: Couple year protection (CYP) provided				
Unit: CYP		Year	Planned	Actual
Source: NGOs' Service Statistic	Baseline	1994	---	200,000
Comments		1995	220,000	**
		1996	245,000	**
		1997	270,000	**
		1998	300,000	**
	Target	2000	330,000	**

Indicator 3: Birth interval				
Unit: Percent of births occurring more than 24 months apart		Year	Planned	Actual
Source: DHS	Baseline	1991	---	36.3%
Comments		1996		
	Target	2000	45.0%	**

Indicator 4: Discontinuation rates of temporary family planning methods				
Unit: Percent discontinuing at 12 months		Year	Planned	Actual
Comments:	Baseline	1992	---	64.9%
		1996		**
	Target	2000	50.0%	**

PROGRAM OUTPUT NO. 2.2: Increase knowledge of and access to selected MCH interventions

Indicator No. 1: Exclusive breastfeeding rate in targeted area				
Unit: Percent of children less than 6 months of age exclusively breastfeed		Year	Planned	Actual
Source: DHS	Baseline	1991	---	.4%
Comments:	Target	1996	3%	**

Indicator No. 2: Continued feeding to children with diarrhea in targeted area				
Unit: Percent of Children receiving increased liquids during diarrheal episode		Year	Planned	Actual
Source: DHS	Baseline	1991	---	69%
Comments:	Target	1996	80%	**

Indicator No. 3: Babies born with low birth weight in selected communities				
Unit: Percent weigthing less than 5.5 lbs. at birth		Year	Planned	Actual
Source: PROM1 baseline and endline surveys	Baseline	1993	---	12%
Comments: Low weight babies are those born with less than 5.5 pounds		1995	5%	**
	Target	1996	4%	**

PROGRAM OUTCOME: 2.3 Reduce high risk behavior related to HIV/AIDS/STDs				
Indicator No.1a: Knowledge of preventive practices in high risk groups				
Unit: Percent of adolescent/young adults reporting 2 acceptable ways of preventing HIV infection		Year	Planned	Actual
Source: Pre-and post intervention KAP survey	Baseline	1994	---	60%
Comments:		1996	70%	**
		1998	75%	**
	Target	2000	80%	**

Indicator No. 1b: Knowledge of Preventive practices in high risk group				
Unit: Percent of commercial sex workers reporting 2 acceptable ways of preventing HIV infections.		Year	Planned	Actual
Source: Pre-and post intervention KAP survey	Baseline	1994	---	80%
Comments:		1996	80%	**
		1998	82%	**
	Target	2000	85%	**

Indicator No.1c: Knowledge of Preventive practices in high risk group				
Unit: Percent of Industrial workers reporting 2 acceptable ways of preventing HIV infection		Year	Planned	Actual
Source: Pre and post KAP survey	Baseline	1994	---	80%
Comments:		1998	80%	**
	Target	2000	85%	**

Indicator No. 1d: Knowledge of Preventive practices in high risk group				
Unit: Percent of hotel workers reporting 2 acceptable ways of preventing HIV infection		Year	Planned	Actual
Source: Pre-and post intervention KAP survey	Baseline	1994	---	80%
Comments:		1996	90%	**
		1998	90%	**
	Target	2000	90%	**

Indicator No.2: Condoms available for target Population				
Unit: Percent of target population who can acquire condoms.		Year	Planned	Actual
Source: Pre and post intervention KAP survey	Baseline	1994	---	(1)
Comments: (1) Data not available		1996	75%	**
		1998	80%	**
	Target	2000	85%	**

Indicator No. 3a: STD Case Management				
Unit: Percent of female CSWs who received appropriate advice on condom usage and partner notification during STD.		Year	Planned	Actual
Source: Observer visits and exit surveys	Baseline	1994	---	80%
Comments: CSW = Commercial sex workers		1996	80%	**
		1998	82%	**
	Target	2000	85%	**

Indicator No.3b: STD Case Management				
Unit: Percent of hotel workers who received appropriate advice on condom usage and partner notification during STD clinic visit.		Year	Planned	Actual
Source: Observer visits and exit surveys	Baseline	1994	---	(1)
Comments: (1) Data not available		1996	80%	**
		1998	82%	**
	Target	2000	85%	**

Indicator No. 3c: STD Case Management				
Unit: Percent of MWM who received appropriate advice on condom usage and partner notification during STD clinic visit		Year	Planned	Actual
Source: Observer visit and exit survey	Baseline	1991	---	(1)
Comments: MWM = Men with men (1) Data not available	Target	1996	80%	**

PROGRAM OUTCOME 2.4: Increase community participation in provision of water and sanitation services				
Indicator No. 1: Access to water and sanitation facilities				
Unit: Percent of targeted population accessing potable water and sanitation facilities		Year	Planned	Actual
Source: NGOs' statistic reports Pre and post intervention surveys	Baseline	1993	---	U - 0% R - 0%
Comments: U = urban R = rural		1995	U - 10% R - 10%	** **
		1996	U - 30% R - 25%	** **
		1997	U - 50% R - 40%	** **
		1998	U - 70% R - 60%	** **
		1999	U - 80% R - 70%	** **
	Target	2000	U - 90% R - 80%	** **

Indicator No. 2: Knowledge of correct use and maintenance of water and sanitation facilities				
Unit: Percent of community residents actively participating in maintenance of the facilities		Year	Planned	Actual
Source: Pre and post intervention surveys	Baseline	1993	---	0%
		1995	10%	**
		1996	30%	**
		1997	50%	**
		1998	70%	**
		1999	80%	**
	Target	2000	90%	**

DOMINICAN REPUBLIC				
PROGRAM OUTCOME NO. 2.5: Broad-based consensus on selected health care reforms				
Indicator: General Health Law Passes House & Senate				
Unit: Policy Reforms in Key Areas		Year	Planned	Actual
Source:	Baseline	1994	---	None
Comments: Key Areas include: - Model HIV/AIDS Articles - Articles for preventive health which include: breastfeeding, water and sanitation, and reproductive health	Target	1995	---	

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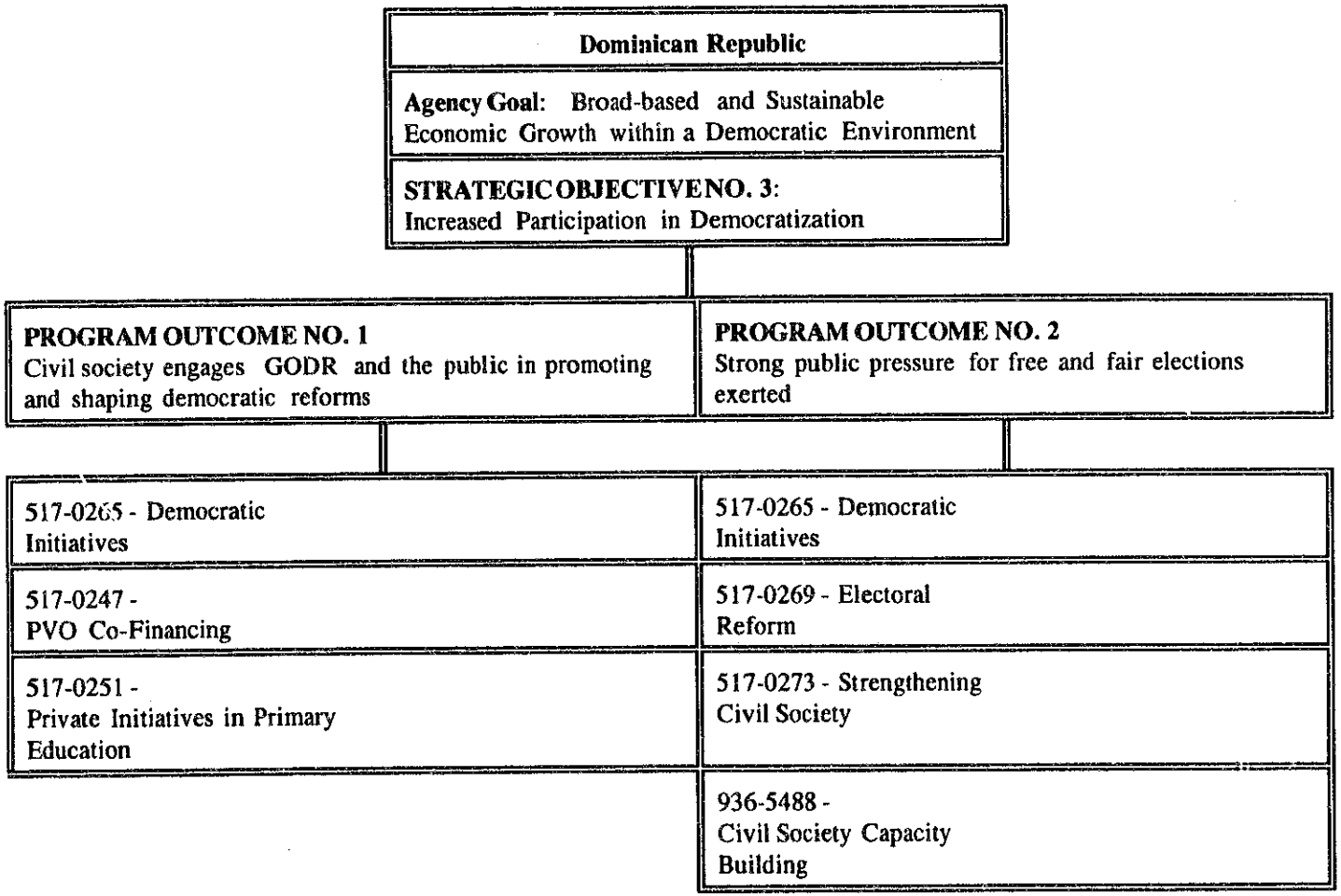
Table 1: Strategic Objective Program Tree



C. STRATEGIC OBJECTIVE NO. 3: INCREASED PARTICIPATION IN DEMOCRATIZATION

USAID/DR's Strategic Objective No. 3 directly supports USAID's worldwide strategy for sustainable development inasmuch as it enhances broad-based participation of Dominican NGOs, public interest groups, foundations, community organizations, and the general public in various aspects of political life. In so doing, S.O. 3 also upholds LAC Bureau's strategic vision according to which "the process of economic and social advancement cannot be sustained over the long run unless . . . all members of a society (are) able to participate in . . . political activity, contribute to decisions affecting their lives and be assured of equal protection under law."

In striving to implement USAID/DR's democracy strategy, the Mission works in close partnership with its Dominican counterparts. This close consultative and collaborative relationship with our partners starts at the design stage of each of our projects and/or activities and is maintained throughout their implementation.

In response to the transitional nature of the current Dominican political scenario, as described in the Strategy Overview, the Mission has adapted its approach to both the near- and long-term priorities agreed-upon between the Mission and its civil society partners. Consequently, Program Output 3.1 is geared toward the long-term and will support civil society's efforts to more actively engage the GODR and the public in promoting and shaping democratic reforms; while P.O. 3.2 deals with the near-term and will focus on supporting strong public pressure for free and fair elections in May 1996.

If a reform-minded government comes to power as a result of the 1996 elections, the Mission will reconsider and expand its democracy strategy. New P.O.s will probably be added, related to strengthening the rule of law, fostering decentralization and more participatory governance, and introducing strongly needed checks and balances between the three branches of government.

In refocussing the democracy strategy, USAID/DR emphasized manageable results. To this end, the new approach significantly reduces the level of ambition of program outcomes to correspond more closely to what is realistically achievable given the Mission's limited resources. Thus, the two outcomes under S.O. 3 focus their efforts much more specifically on means for promoting participation in the democratization process and limit the elements of this process on which it will concentrate. These program outcomes are:

- **P.O. 3.1: Civil society engages the GODR and the public in promoting and shaping democratic reforms.**

-- **P.O. 3.2: Strong public pressure for free and fair elections exerted.**

The reform agenda contemplated under P.O. 3.1 includes continued reforms in the areas of the judiciary, elections, and government's checks and balances. These priorities have been discussed with and set by our civil society partners themselves. Consequently, USAID/DR's strategy will not address congressional, civil service, or other political reforms at this time. The degree of citizen participation in the democratic reform process in all its forms will be a key determinant of the quality of this process.

Performance highlights are presented here for each of the three program outcomes included in the **FY 95-96 Action Plan.**

Increased citizen awareness of the benefits of participatory democracy:

As stated in FY 95-96 Action Plan, Mission efforts in helping to build truly participatory democracy have focused on increasing citizen awareness as well as participation at all levels. To this end, resources have been channeled--for the most part under the Democratic Initiatives (DI) project administered by the Pontificia Universidad Católica Madre y Maestra (PUCMM)--through civil society institutions such as local NGOs, foundations, public interest groups, and community organizations. All 23 sub-grants funded under the DI project between mid-1993 and the present time include a strong "education for democracy" component directly aimed at increasing both awareness and participation among civil society organizations and individual citizens. The Consultative Committee for the project represents a wide range of NGOs, and this past year it reached out to include labor unions.

USAID-funded DEMOS survey, conducted in early 1994 (DEMOS-94), revealed that 81% of a national sample of adult citizens is aware of the advantages of participatory democracy. This finding shows that at least some sort of citizen awareness of the benefits of participatory democracy has become fairly broad-based. However, it should be noted, that, according to DEMOS-94, a much higher proportion of men than women (87% versus 75%) were aware of the advantages of democracy.

Increased participation and confidence in the electoral process:

According to a Gallup Omnibus survey conducted in the Dominican Republic in November 1994, 86% of all eligible voters (men: 88%; women: 83%) actually voted in the May 1994 election. This represents a significant improvement over the only 66% of eligible voters (men: 71%; women: 62%) who had voted in the 1990 election. However, everyone agrees it was a major turnout. Unfortunately, only an estimate can be given because of the lack of controls and irregularities with the voters' list.
On the other hand, the DEMOS-94 survey shows that, still four months before the election took place, 55% of the citizenry (men: 58%; women: 53%) was confident that the Central Electoral Board ("Junta Central Electoral," JCE) would guarantee fair

elections. Unfortunately, the massive irregularities that marred the 1994 election have diminished significantly popular confidence in the JCE, the electoral process and the political system.

As it has been amply documented, USAID/DR's provision of technical assistance to the 1994 electoral process faced innumerable difficulties. Part of this assistance, however, included the Mission's sucessful negotiations to substantially increase the international observer force. These observers helped substantiate the charges of electoral irregularities. As a result, the GODR was forced, in August 1994, to address the evidence of such irregularities and negotiate a resolution to the crisis through the Pact for Democracy and a Constitutional amendment that, among other things, reduced Balaguer's new presidential term from four to two years, precluded presidential reelection and instituted several other reforms, including the selection of judges. Between mid-1993 and early 1994, consensus among all political parties on most of these reforms had been achieved by Fundación Siglo 21, a highly respected Dominican NGO. Undoubtedly, Fundación Siglo 21's successful lobbying efforts, funded under the Democratic Initiatives project, were instrumental to the enactment of the August 1994 constitutional amendment.

During the post electoral crisis, it was principally the political parties which were involved in the debate over election irregularities. The civil society basically remained uninvolved. It did participate in the signing of the Pact for Democracy, and later forced the political parties to agree to naming reputable and non-partisan individuals to the new election junta--the JCE. Slowly the new JCE is rebuilding confidence in its work for the May, 1996 elections. Given the controversial nature of outside election assistance last year and the balancing of the pluses and minuses of receiving outside assistance, it appears that the JCE will not request assistance from the U.S. or others. The JCE has reached out to the local business community for its top ranked computer consultants to serve as an advisory committee for the JCE's Computer Center. So far, this has been a successful partnership.

USAID/DR's strategy for the May 1996 elections is to encourage and support the civil society in helping to assure free, fair and transparent elections. It will take a major motivational effort to encourage people to come out to vote again after the experience in 1994. The 1996 elections will be hampered by one of the reforms under the Pact for Democracy--to have "colegios cerrados, or "closed voting areas". However, there is no fixed definition as to what is a collegio cerrado. Approximately 20 organizations have recently called for participation of civil society in support of and monitoring the 1996 elections. An Action Group has been formed to identify the areas that will be supported and the type of assistance they will require.

Increased equity and fairness in the administration of justice:

The degree of public confidence in the Dominican judicial system may be at an all-time low. According to the DEMOS-94 survey, 82% of the adult population (no differences of opinion among genders were shown in this regard) distrusts the equity and fairness of the judicial system. On the other hand, according to DEMOS-94, 76% of the adult population (men: 78%; women: 74%) is in favor of totally revamping the judicial system.

Unfortunately, President Balaguer's current administration, just as his five previous ones, does not show the necessary political will to implement an in-depth reform that would increase the independence, professionalism, and effectiveness of the judiciary. Nevertheless, as a result of the above-mentioned constitutional amendment enacted in August 1994, the Senate has been deprived of its power to choose all the judges. Instead, a National Council of the Judiciary ("Consejo Nacional de la Magistratura") will appoint the Supreme Court. In turn, this supreme tribunal will choose all lower court judges, according to a set of rules contained in a judicial career law to be enacted.

Gender Issues

Activities and indicators under S.O. 3 include substantive attention to gender considerations and to women's participation in political life. Two major gender issues have been identified:

a) Given the lower rates of both knowledge and participation for women compared with men revealed by the 1994 DEMOS survey, it will be important to actively promote the degree of participation of women's organizations in both the electoral and the reform processes, as well as to involve women in both the membership and leadership of mixed civil society institutions and community groups promoting democratic participation and reform. In order to address these concerns, efforts will be made to ensure that women's organizations participate fully in the drafting of reform bills. Likewise, serious consideration of the proposals they develop for legislative reform will be actively promoted. Also, greater participation and voting by women will be encouraged. And finally, in defining "broad-based" participation, networks, etc. the participation of women and women organizations will be a specific criterion.

b) Elimination of discriminatory provisions based on gender will be included as a focus area within the reform proposals promoted and supported by civil society. Thus, regarding the legal reforms contemplated under P.O. 3.1, gender issues will be considered particularly important in the reform of the Civil and Commercial Codes.

Issues and progress with regard both to the extent of women's participation in electoral and political reforms and the elimination of gender bias in reform bills will be reported in future Action Plan narratives

Other Donors

USAID/DR's democracy strategy includes, as an important component, Mission's lobbying with other donors for support for the democratic initiatives undertaken by NGOs and other civil society institutions and groups, as well as selected reforms in the areas of rule of law and modernization of the state. In the recent past, several multilateral and bilateral international donor agencies have given support to various activities in the field of democracy. At the present time, the World Bank, the IDB, and the European Community (EC) have shown interest in program areas related both to democracy and modernization of the state, such as good governance, rule of law, and decentralization. There are also possibilities of other governments, such as Spain and Canada, funding civil society activities in support of the 1996 Presidential elections. The National Endowment for Democracy has recently approved a grant to a local NGO for Dominican observers at the polling sites.

It is important that USAID/DR establish contact with these donor agencies in the Dominican Republic, in order to coordinate all efforts for the development of democracy in the country. This coordination could be achieved by a mutually agreed upon division of the fields and areas to be supported by each agency, through the development of joint action programs, and by a well-coordinated policy dialogue strategy vis-a-vis the GODR. The democratic initiatives field is so large, that no single agency effort will be sufficient.

Table 2: Strategic Objective Performance

Dominican Republic

STRATEGIC OBJECTIVE NO. 3: Increased participation in democratization

Indicator No. 1: Eligible voters who voted

Unit: Percent of voters who voted		Year	Planned	Actual
Source: DEMOS Survey (1994, 1997, 2001), JCE Electoral Reports (1990, 1994, 1996, 1998, 2,000), and Gallup Omnibus Survey (1994)	Baseline	1990	------	66% M=71% W=62%
Comments: Actual data will be desegregated by gender		1994	70%	86% M=88% W=83%
		1996	75%	**
		1998	80%	**
	Target	2000	80%	**

Indicator No. 2: Eligible voters intending to vote

Unit: Percent of voters intending to vote		Year	Planned	Actual
Source: DEMOS Survey (1994, 1997, 2001) and Gallup Omnibus Survey (1994, 1996)	Baseline	1994	------	88% M=91% F=85%
Comments: Actual data will be desegregated by gender. Surveys will explore rationale for voting/no voting.		1996	80%	**
		1998	85%	**
	Target	2000	85%	**

Indicator No. 3: Citizens involved in lobbying for democratic reforms				
Unit: Percent of citizens involved		Year	Planned	Actual
Source: DEMOS Survey (1997, 2001) and Gallup Omnibus Survey (1996)	Baseline	1996	15%	**
Comments: Actual data will be desegregated by gender		1997	18%	**
	Target	2001	25%	**

Indicator No. 4: Citizens active in NGOs and/or community groups				
Unit: Percent of active citizens		Year	Planned	Actual
Source: DEMOS Survey (1997, 2001) and Gallup Omnibus Survey (1996)	Baseline	1996	15%	**
Comments: Actual data will be desegregated by gender		1997	18%	**
	Target	2001	25%	**

STRATEGIC OBJECTIVE NO. 3 Increased participation in democratization

PROGRAM OUTCOME NO. 3.1 Civil society engages GODR and the public in promoting and shaping democratic reforms

Indicator No. 1: Draft reform regulations introduced

Unit: Number of draft reform bills

Source: Congressional & Press reports

Comments: Democratic Reforms: 1) Rule of Law (ROL), 2) Decentralization Reform (DR); and 3) Government's Checks and Balances (GC&B).

1995: -Judicial Career Law (ROL)
-Electoral Reform Law (GC&B)
1996: -National School of Magistrature Law (ROL)
-Administrative & Budgetary Autonomy Law (ROL)
-Reform of Civil Procedure Code (ROL)
-Reform of Commercial Code (ROL)
-Municipal Government Law (DR)
-Constitutional Reform (GC&B)
-Further Electoral Reform Law (GC&B)
1997: -Administration of Justice Reform Law (ROL)
-Social & Economic Council Law (GC&B)

	Year	Planned	Actual
Baseline	1994	------	0
	1995	2	**
	1996	7	**
Target	1997	2	**

Indicator No. 2: Public hearings held on draft reform legislation introduced				
Unit: Number of public hearings held		Year	Planned	Actual
Source: Congressional & press reports	Baseline	1995	-------	0
Comments: Democratic Reforms: 1) Rule of Law (ROL), 2)Decentralization Reform (DR), and 3) Government's Checks and Balances (GC&B) 1995: -Judicial Career Law (ROL) -Electoral Reform Law (GC&B) 1996: -National School of Magistrature Law (ROL) -Justice Administrative and Budgetary Autonomy Law (ROL) -Municipal Government Law (DR) -Further Electoral Reform Law (GC&B) 1997: -Administration of Justice Reform Law (ROL) -Reform of Civil Procedure Code (ROL) -Reform of Commercial Code (ROL) -Constitutional Reform (GC&B) -Social and Economic Council Law (GC&B)		1996	2	**
	Target	1997	4	**
	Target	1997	5	**

Indicator No. 3: Active, broad-based, NGOs/community groups network(s) created for ROL, DR and GC&B lobbying purposes				
Unit: See comments		Year	Planned	Actual
Source: USAID monitoring of DI and Civil Society projects & press reports	Baseline	1995	(See narrative)	
Comments: Annual qualitative assessment of whether 1)network(s) has coalesced; 2)is broad-based, including women groups; and 3)has undertaken some joint action in engaging GODR & public in lobbying efforts for ROL, DR, and GC&B		1996		
	Target	1997		

Indicator No. 4: Public engaged by NGOs/community groups network(s) ROL, DR and GC&B in lobbying efforts				
Unit: See comments		Year	Planned	Actual
Source: USAID monitoring of DI and Civil Society projects & press reports	Baseline	1995	(See narrative)	
Comments: Annual qualitative assessment of quantity and quality of input from the public in defining problems and developing solutions re ROL, DR and GC&B		1996		
	Target	1997		

STRATEGIC OBJECTIVE NO. 3: Increased Participation in Democratization
PROGRAM OUTCOME NO. 3.2 : Strong public pressure for free and fair elections exerted

Indicator No.1: Polls monitored by trained citizens placed by citizens' election coalition				
Unit: Percent of polling places monitored		Year	Planned	Actual
Source: Citizens' election coalition records. JCE data on number of polling places	Baseline	1994	------	0
Comments:	Target	1996	50%	**

Indicator No.2: Active municipal citizens' election coalition committees monitoring the electoral process				
Unit: Number of municipal citizens' election coalition committees		Year	Planned	Actual
Source: Citizen's election coalition records	Baseline	1994	------	0
Comments: Number of municipal committees submitting regular reports to coalition HQ. Partly, also, a qualitative review of coalition reports (how good the quality of the committees reporting on election process, problems and issues). There are 107 municipalities in the DR		1995	30	**
	Target	1996	60	**

Indicator No. 3: Breadth of societal support for the citizens' election coalition				
Unit: Number of different civil society sectors represented		Year	Planned	Actual
Source: Citizens' election coalition records	Baseline	1994	------	0
		1995	10	**
Comments: Number of different sectorial interests represented: business, labor, churches, NGOs/PVOs, community groups, rural sector organizations, women organizations, professional associations, education sector, arts groups, sport groups, and social clubs	Target	1996	12	**

Indicator No. 4: Citizens' election coalition advocates engaging respected, neutral, trained citizens to man the polls.				
Unit: See comments		Year	Planned	Actual
Source: Citizens' election coalition records and publications, as well as interviews on mass media (TV, radio, newspapers, and magazines)	Baseline	1995	(See narrative)	
Comments: Qualitative review of publicity released by citizens' election coalition, as well as of coalition's direct communications with JCE on this subject	Target	1996		

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Table 1: Strategic Objective Program Tree

Dominican Republic

Agency Goal: Broad-based and Sustainable Economic Growth within a Democratic Environment

Strategic Objective No. 4: Increased Use of Environmentally-Sound Energy Sources

PROGRAM OUTCOME NO. 4.1: Environmental component of the Sector Regulatory Framework in place	**PROGRAM OUTCOME NO. 4.2:** Innovative Renewable Energy Alternatives Developed and Disseminated in Rural Areas	**PROGRAM OUTCOME NO. 4.3:** Improved Conservation in Critical Watersheds Contributing to Sustainable Energy
517-0270 Electrical Energy Sector Restructuring	517-0247 PVO Co-Financing	517-0247 PVO Co-Financing
936-5555 Environmental and Natural Resources Policy and Training	517-0270 Electrical Energy Sector Restructuring	598-0782 Parks in Peril
936-5741 Energy Technology & Innovation Project	PL 480, Section 108	517-0243 University Agribusiness Partnership

D. STRATEGIC OBJECTIVE NO.4: INCREASED AVAILABILITY AND USE OF ENVIRONMENTALLY-SOUND ENERGY SOURCES

In the FY 95-96 Action Plan review, the LAC Bureau encouraged USAID/DR to set an agenda for future environmental activities with indicators tied to long-term economic sustainability of growth in the country. In the course of recent refocusing efforts, the Mission realized that a number of ongoing and potential activities could (and should) be grouped under a separate, carefully focused, objective in order to ensure more results-oriented management. As these activities were reviewed, the linkages between environmental issues and energy requirements/production stood out as an organizing principle which could provide the desired focus. USAID/DR can fully exercise its role as a catalyst in this area, mobilizing community participation and drawing the attention and funding of other donors to the priorities supported under this objective.

This reformulation of USAID/DR's environmental objective is a transitory action which will be further developed in the next full strategic plan. It permits the Mission to continue to support NGO activities to which it has made earlier commitments, especially under the PVO-Cofinancing project. In an effort to increasingly focus on certain priority areas related to energy and the environment the Mission intends to phase out, in the medium term, environmental projects not related to energy production and use. In the near term USAID will honor its commitments, during the transition, to several coastal zone projects which do not fit clearly within the transition strategy. The major activity to be affected is a grant to the Center for Marine Conservation to wisely manage coastal resources in Samaná and its watershed. The Mission will phase out of this activity in such a way that will not jeopardize the sustainability of this program which involves the strengthening of a new, but very active, local environmental PVO in the area.

This objective directly supports the Summit of the Americas Initiatives for sustainable energy use, biodiversity and the partnership for pollution prevention. Under the Environmental Initiative for the Americas (EIA) the USAID/DR submitted a proposal to secure additional funding to support Summit initiatives. If that additional funding cannot be secured through the EIA other funding will have to be identified because of the importance of this initiative.

There are three program outcomes:

-- P.O. 1: Environmental Component of the Sector Regulatory Framework in Place

-- P.O. 2: Innovative Renewable Energy Alternatives Developed and Disseminated in Rural Areas.

-- **P.O. 3: Improve Conservation in Critical Watersheds Contributing to Sustainable Energy Use.**

The Mission has identified, through various studies, three major constraints to sustainable development in the Dominican Republic, all dealing with the inefficient use of natural resources related to energy production and consumption. The three constraints are: rapid deforestation, siltation of hydropower reservoirs, and unreliable, pollution-generating, and costly energy production. Both the urban and the rural poor are affected by these constraints.

Tropical forests are being lost at an alarming rate. The 70% of rural families (about 2 million people) who live beyond the reach of the centralized utility grid rely largely on crude power sources (fuelwood, charcoal, kerosene and candles) to provide for their minimal energy needs. Approximately 30% of the country's total energy requirements are met by biomass sources, largely charcoal. The lack of alternative energy for rural dwellers compounds the stress on the land from destructive hillside farming practices in critical watersheds. The declining tree cover is decreasing the sponge effect of this delicate island ecosystem, thereby seriously threatening the life span of downstream development projects associated with dams, such as hydroelectric generation, and water systems for irrigation and human consumption. It is imperative for long range sustainability that water resources used for hydroelectric production be protected by reducing sedimentation rates into reservoirs caused by such practices.

"Conventional" thermal and hydroelectric energy production are insufficient to meet the needs of those with access to the public grid; and due to equipment failure or water shortages more than 50% of installed capacity can be off-line at any given time. This inadequate and unpredictable supply causes permanent daily rationing with sudden cuts of electricity to industry, businesses and homes. Many use emergency diesel generators with a consequent increase in hydrocarbon requirements, serious pollution, and costs at least eight times greater than in similar settings. Against this context, private producers now provide some 10% of the current energy into the national grid -- under high cost contracts.

The financial and economic costs to the country of this inefficient and unregulated system are enormous. One conservative estimate is that such costs easily exceed half a billion dollars per year, roughly 5.6% of GDP. Included in the calculation would be the costs of the incredible number of small private generators, the incremental fuel costs owing to their inherent inefficiency, production losses and equipment damage from interrupted or surged power, and foregone economic growth. Not included is the environmental damage from the CDE operation and from the exhaust and noise pollution of the small private "plantas". Lack of adequate electric power is clearly the major infrastructural impediment to growth.

This constraint motivated USAID/DR's formulation of the Electrical Energy Sector Restructuring project. In close coordination with the IBRD and IDB, the Mission focused the project to support overall sector restructuring, which seeks to attract from private investors the roughly one billion dollars in plant and equipment needs over the next 10 years. USAID/DR will also participate with the IBRD/IDB in helping to establish an appropriate regulatory framework and to institutionalize the oversight mechanism. Delays in passage of the enabling electric sector law limited prospects for its passage, and recent decisions of the IDB on the commercial regulation aspect, have necessitated unexpected changes in our project. As currently envisioned, the Mission will take the lead in helping the government develop and institutionalize a comprehensive environmental regulatory framework (following up on the highly regarded Bechtel Environmental Sector Assessment funded by USAID/DR).

- **P.O. 4.1: Environmental Component of the Sector Regulatory Framework in Place**

As a result of USAID/DR's leadership in this area, we expect that appropriate norms and standards consistent with international standards for power plant emissions, water impact, and other environmental concerns will be developed. Success coordinating these activities was recently highlighted in USAID's last *Global Environmental Fund Report to the Congress.* USAID/DR will also assist the new regulatory agency (Superintendencia) to improve its capacity to manage the environmental aspects of the regulatory framework and will generally support other involved parties to ensure that the overall sector regulatory framework is appropriate and efficient.

- **P.O. 4.2: Innovative Renewable Energy Alternatives Developed and Disseminated in Rural Areas**

Success of the energy sector restructuring efforts would still leave a significant portion of the population outside the reach of the national electricity grid. Both the redesign of the Energy project and the strong interest of NGOs in the area of renewable energy sources provide opportunities for the Mission to deepen and expand its initiatives, building on its experience as a catalyst. The re-designed project will support a pilot activity providing wind-generated power to poor rural areas for electrification and potable water systems. This activity will test/prove the economic, commercial, and social viability of the technology in the Dominican context. Through the NGO Co-Financing Project, the Mission will test innovative ideas in various areas of renewable energy sources (such as solar, wind, biomass and hydropower) through replicable demonstration projects at the community level. Examples of NGO projects currently under review or just approved for financing are: (1) solar energy at the community level for potable water and domestic lighting systems. This promising activity also foments production and microenterprise development in rural areas; (2) promotion of other solar energy technologies at the community level, such as solar heating and drying; and (3) pilot demonstration activities in the use of wind energy for potable water systems and electrification.

-- P.O. 4.3: Improve Conservation in Critical Watersheds Contributing to Sustainable Energy Use

A number of NGO activities financed by USAID/DR focus on community management of local resources, through components such as agroforestry, f uelwood production, and soil conservation. Economic incentives built in to these activities ensure their sustainability. For example, in the Nizao watershed, development of a low-cost producer-owned irrigation system in the valley has succeeded in convincing farmers not to cultivate the hillsides, where water had been more readily accessible. The World Bank is considering replicating this model in other areas of the watershed. In the Jamao watershed, the local developement NGO, ADEPE, convinced the GODR Forest Service to provide tree harvesting permits to farmers. This allows the community to continue legally its traditional furniture-making activities (a rocking chair used by President Kennedy was made in this area) while empowering it to manage its resources responsibly. At the same time, farmers are being encouraged to rehabilitate their coffee plantations and to diversify their sources of income by replanting fruit trees on the hillsides and learning beekeeping techniques. This more rational resource management system is helping to improve soil conservation and reducing erosion.

These activities contribute directly to the agency's environmental strategy in the area of sustainable energy production and use and complement other donors' capital investments for conservation or protection of natural resources in the country. The majority of the pilot activities to be funded by USAID/DR are expected to be replicated on a national basis with GODR and other donor funding as well as through revolving funds recuperated from interest-bearing loans to beneficiaries of some of the NGO projects.

During the development of a GODR regulatory and institutional framework USAID/DR will ensure that representatives of womens' interests participate in public hearings and decision making sessions. Women will also be involved in decisions on alternative energy technology at the community level and are expected to be the prime beneficiaries of rural electrification and more efficient cooking and heating systems. Many of the new microenterprises expected to be initiated as a result of increased energy availability in rural areas will be home-based, women-owned businesses.

Table 2: Strategic Objective Performance

Dominican Republic

STRATEGIC OBJECTIVE NO. 4 Increased Use of Environmentally-Sound Energy Sources

Indicator 1: Amount of KW hours consumed by poor in rural areas.

Unit: Kilowatt hours		Year	Planned	Actual
Source: Subproject reports, evaluations	Baseline	1994	---	10,000
Comments		1995	12,000	**
		1996	15,000	**
		1997	18,000	**
		1998	22,000	**
	Target	1999	26,000	**

Indicator 2: Air Pollution level in urban areas near power plants

Unit: Percent of pollution level		Year	Planned	Actual
Source:	Baseline	1994		
USAID/Washington assistance is required to develop targets.		1995		
		1996		
		1997		
		1998		
	Target	1999		

Dominican Republic

PROGRAM OUTCOME NO. 4.1 Environmental component of the sector regulatory framework in place

Indicator 1: Standards and norms for energy regulation established

Unit: Norms		Year	Planned	Actual
Source:	Baseline	1994	---	0
Comments: 1) Internationally accepted norms and standards identified; 2) Norms and standards in place		1996	1	**
	Target	1997	2	**

Indicator 2: Firms complying with the standards and norms

Unit: Percent of all firms		Year	Planned	Actual
Source:	Baseline	1994		0
Comments: Baseline will be established for 1996 after norms and standards are available		1995		
		1996		
		1997		
		1998		
	Target	1999		

Dominican Republic

PROGRAM OUTCOME NO. 4.2 Innovative renewable energy alternatives developed and disseminated in rural areas

Indicator 1: Rural households using solar energy in project communities

Unit: Percent of households		Year	Planned	Actual
Source: Subproject reports, evaluations	Baseline	1994		0
Comments		1995	10%	**
		1996	25%	**
		1997	40%	**
		1998	40%	**
	Target	1999	40%	**

Indicator 2: Rural households using fuel-efficient stoves in project communities

Unit: Percent of households		Year	Planned	Actual
Source: Subproject reports, evaluations This measure will provide an indication of the growing demand for fuel-efficient stoves in pilot communities.	Baseline	1994	---	7%
		1995	20%	**
		1996	30%	**
		1997	40%	**
		1998	40%	**
	Target	1999	40%	**

Indicator 3: Number of new microenterprises established resulting from increased energy availability				
Unit: Microenterprises		Year	Planned	Actual
Source: Subproject reports, evaluations	Baseline	1994	---	F -10 M - 5
Comments		1995	F - 30 M - 20	**
		1996	F - 70 M - 30	**
		1997	F - 100 M - 50	**
		1998	F - 100 M - 50	**
	Target	1999	F - 100 M - 50	**

Dominican Republic

PROGRAM OUTCOME NO. 4.3 Improved conservation in critical watersheds contributing to sustainable energy use

Indicator 1: Area under sound soil management practices in project areas

Unit: Hectares

Source: Subproject reports, evaluations

	Year	Planned	Actual
Baseline	1994	**	100
	1995	450	**
	1996	1600	**
	1997	3200	**
	1998	4500	**
Target	1999	6000	**

Indicator 2: Reforested area in project areas				
Unit: Hectares		Year	Planned	Actual
Source: Subproject Reports, evaluations	Baseline	1994	----	200
		1995	850	**
		1996	1700	**
		1997	2300	**
		1998	3000	**
	Target	1999	4000	**

Indicator 3: Number of farmers participating in conservation activities in project areas				
Unit: Farmers		Year	Planned	Actual
Source: Subproject reports, evaluations Target per community is from 0 to 50% of the population of farmers participating on any given project of about 3 years. The number of communities participating will increase from 10 in 1994 to about 150 in 1999.	Baseline	1994	___	360
		1995	890	**
		1996	1900	**
		1997	2800	**
		1998	3200	**
	Target	1999	3600	**

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E. PROGRAM HIGHLIGHTS

INCREASED ECONOMIC OPPORTUNITIES AND BENEFITS FOR THE MAJORITY OF DOMINICANS

- NGO-sponsored research on key economic issues, broadly disseminated through public media, was instrumental to the Government's decision to seek full membership in GATT.
- The Consuelo sugar mill workers' vehement opposition to privatization of their company changed to support following an NGO workshop to explain the details of the proposal and its potential benefits.
- 7th and 8th grade math and Spanish texts developed by the NGO EDUCA were printed and distributed to public schools throughout the country with IBRD/IDB funding. The MOE also adopted achievement testing recommendations and submitted to Congress the Education Reform Law developed under EDUCA's leadership. EDUCA's efforts have garnered broad support, and mobilized private sector and donor funds.
- A decade after its inception, ADEMI has become a firmly established intermediate financial institution with 23 offices, a loan portfolio of $15 million and 28,000 borrowers who have created 150,000 jobs.

INCREASED USE OF EFFECTIVE PRIMARY HEALTH CARE SERVICES BY UNDERSERVED POPULATIONS

- A "health messenger" network for HIV/AIDS prevention supports distribution of information and sale of condoms in the workplace, covering 45,000 industrial zone workers and 58 firms.
- 20,000 couple years of protection are provided annually to postpartum women. 30% of women delivering leave the large public hospital with a family planning method, of which almost 50% are temporary methods.
- Over 200,000 women/children benefit from primary health care interventions provided at USAID supported clinics; 50,000 PAP smears were done for women of reproductive age through project sites.
- The largest family planning provider in the country has opened the first male clinic, providing men with a range of family planning and reproductive health services

INCREASED PARTICIPATION IN DEMOCRATIZATION

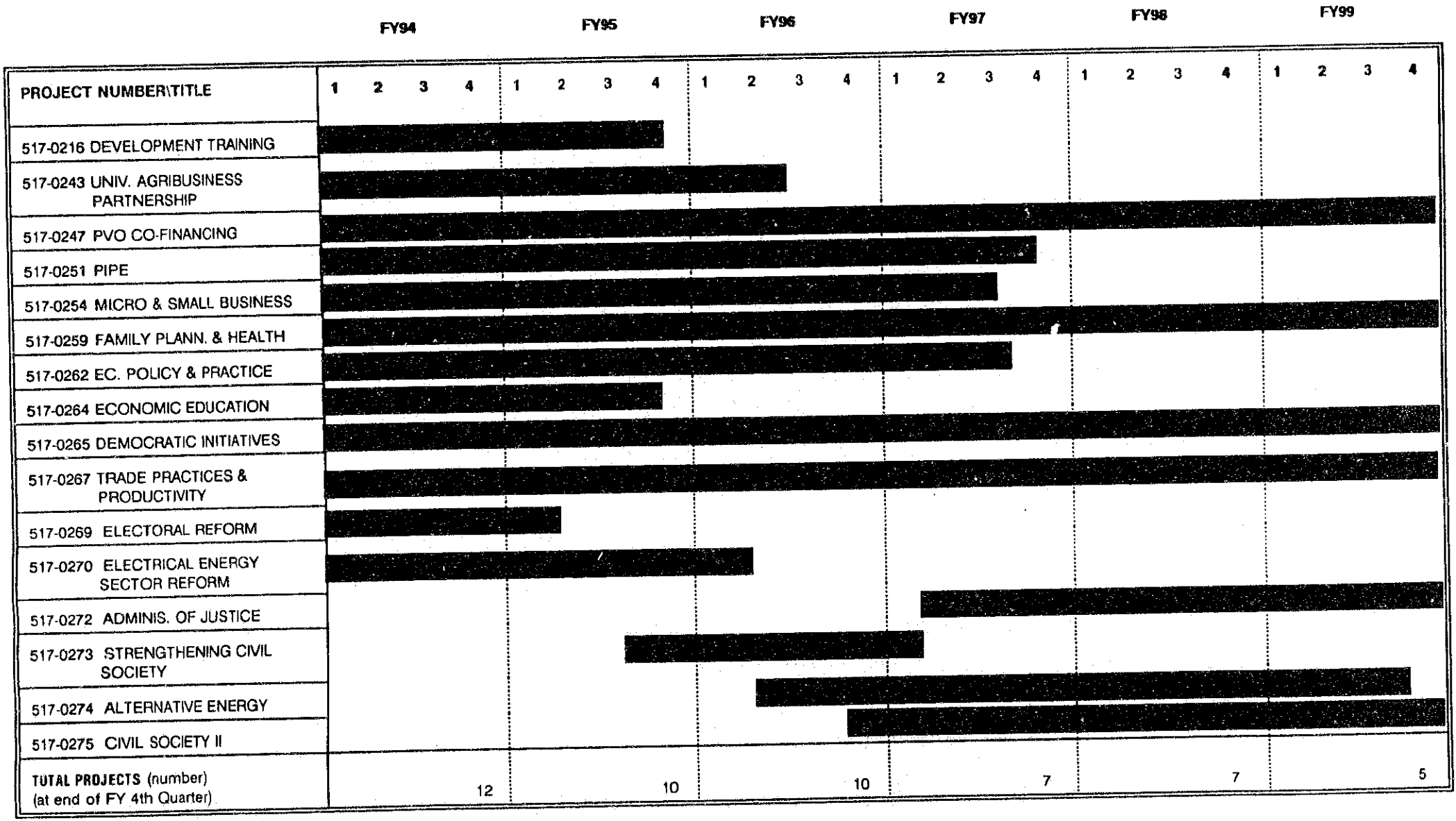
- An estimated 86% of eligible voters (88% men and 83% women) went to the polls in May 1994, a very significant improvement over the 66% turnout (71% men, 62% women) in 1990.
- Constitutional reforms, including presidential term limits and runoff elections, developed under the Democratic Initiatives project were included in the August 1994 Pact for Democracy.
- Water and health committees created to implement components of USAID's water and sanitation portfolio in both rural and low-income urban areas have become vital examples of democracy in action: with the confidence and skills gained through participation in her community water committee, a rural woman is running for public office.

INCREASED USE OF ENVIRONMENTALLY-SOUND ENERGY SOURCES

- In the Nizao watershed, the introduction of a low-cost producer-owned irrigation scheme in the valley has induced farmers to move off the hillsides, reducing the risk of erosion. The World Bank is considering replicating this model in other areas.
- In the Jamao watershed the NGO ADEPE convinced the GODR to provide tree harvesting permits to farmers. This permits the community to continue legally its traditional furniture making activities and provides an incentive to protect tree resources. The farmers are also motivated to renovate their coffee plantations and to diversify with other tree and fruit crops.

SECTION III
FY 1996-97 PROGRAM PLAN
AND RESOURCE REQUIREMENTS

Table 5: USAID/DOMINICAN REPUBLIC PORTFOLIO -- PROJECT TIMELINE



A. PROGRAM OVERVIEW

As noted in Sections I and II, USAID/DR is implementing a strategy in transition, in the context of a major political transition in the country. Because the political changes are largely unpredictable, the Mission must position resources to permit an appropriate response to the voters' choice in May 1996. Furthermore, the current country assistance strategy (FY 1992-1996) is winding down. It is inappropriate to develop a new strategy until after the May 1996 election and inauguration of a new government in August 1996, yet decisions must be made on the use of resources for 1996 and 1997.

Two constant factors run through the various planning scenarios considered by USAID/DR:

-- first, the Mission's support for strengthening and empowering civil society will continue. The interest demonstrated by citizens in mobilizing in favor of free and fair elections is evidence of a growing consciousness of the need for change.

-- second, the processes developed for working through NGOs, in all sectors of USAID/DR activity, strongly support democratic values and thereby reinforce the Mission's democracy objective. These processes need to be nurtured.

The Local Currency portfolio will continue to be consolidated, as several project activities phase out during the Action Plan period. The Mission presently monitors 13 Local Currency activities, of which twelve are jointly programmed to support or complement USAID projects. Four will reach PACD by December 1995, and an additional two by September 1997. The USG-owned, Section 108 local currency program constitutes a revolving fund valued at approximately $12 million and lent to agribusinesses by six local commercial banks.

B. NEW ACTIVITIES

Because of funding uncertainties, the Mission has been cautious in developing new activities. The existence of several well-tested project vehicles permits the programming of additional resources through project amendments. Two such amendments are proposed:

1. FY 1996: The PVO Co-Financing Activity (PVO, 517-0247) will be amended to enhance the capacity of participating NGOs to promote and test alternative energy technologies and systems, supporting Strategic Objective Number Four. The Mission's first preference is to have the proposed $ 1.25 million Activity integrated as part of the Bureau's Energy Initiative for the Americas, in FY 1995. However, the Mission is sufficiently convinced of its appropriateness and timeliness that it will request additional environment resources to carry it out, should the central funding not be available. In this case the funding would be required in FY 1996.

2. FY 1996: The Economic Policy and Practices Activity (EPP, 517-0262) will be amended to permit quick response to post-election requests for policy analysis. This project supports Strategic Objective Number One.

The new projects proposed all support Strategic Objective Number Three.

3. FY 1995: The new, 18 month Strengthening Civil Society Activity (517-0273) will assist an umbrella group of civil society members who have joined together to support the efforts for a free, fair, and transparent election in 1996. The NAD is submitted separately.

4. FY 1997: Strengthening Civil Society II is a follow-on effort to broaden the involvement of civil society in the democratic process. This Activity will complement the long-term democratic education efforts of the Democratic Initiatives Activity.

5. FY 1997: The Administration of Justice Activity (AOJ, 517-0272), delayed because of the lack of government commitment to institutional reform, will be initiated after a clear demonstration of political will to pursue reform on the part of the new government elected in 1996.

NEW ACTIVITY DESCRIPTION: **INCREASED AVAILABILITY AND USE OF RENEWABLE ENERGY**
(PVO Co-financing Project Amend.)

1. BASIC DATA

(a)	ACTIVITY TITLE:	Amendment, PVO Co-financing Project
(b)	ACTIVITY NUMBER:	517-0247
(c)	TYPE OF FUNDING:	Development Assistance - Grant
(d)	FISCAL YEARS:	1989-1999
(d)	LOA FUNDING	$1,250,000

2. STRATEGIC FIT WITH THE AGENCY/BUREAU STRATEGY:

The Mission identified, through various studies, three major constraints to sustainable development in the Dominican Republic. All deal with the inefficient use of natural resources related to energy production and consumption. The three constraints are: rapid deforestation, siltation of hydropower reservoirs, and a lack of environmentally sound, reliable fossil-fuel energy sources for the urban and rural poor.

A recent USAID intensive survey of rural and urban activities impacting water and coastal resources concluded that the country's forests and coastlines face intense pressure from agricultural development and tourism. It is estimated that tropical forests are being lost at a rate of 20,000 hectares per year, and the area degraded by firewood and charcoal extraction is estimated at 60,000 hectares per year.

The degradation of forest impacts terrestrial bio-diversity, and also causes degradation of watersheds. Coastal resources are threatened by unrestricted developments for tourism and charcoal exploitation resulting in the elimination of many mangrove forests which are essential for maintaining productivity of the country's artisanal fisheries.

The electric energy requirements of the country are estimated at around 1,400 MW and production is currently around 850 MW, with a maximum of 750 to 900 MW in optimal situations. This creates a deficit of at least 500 MW, which cannot be made up by the state-owned electrical generating complex.

Seventy percent of the country's electric energy generating capacity is controlled by the Corporación Dominicana de Electricidad (CDE). The remaining 30% is controlled by the private sector. The country's energy is basically thermic with 74 percent generated with coal and liquid fuels, and 26 percent generated in hydroelectric plants in 1993. The inadequate energy supply causes permanent daily rationing with erratic cuts of electricity to industry, business, and homes.

The high cost of oil is causing the GODR to increasingly substitute hydroelectric power to generate electricity. The Dominican Republic produces neither oil, gas, nor coal.

It is therefore imperative for long range sustainability that this source of energy be protected by reducing sedimentation rates into reservoirs through decreased soil erosion due to deforestation and destructive hillside farming practices in critical watersheds.

The third major energy constraint is Dominican over dependence on inefficient and unreliable energy sources that pollute the environment and deplete the natural resource base. It is estimated that seventy percent of rural families (about two million people) live beyond the reach of the centralized utility grid.

In these communities, families are forced to rely upon crude power sources and their own ingenuity and dedication to provide for their minimal energy needs. For lighting, families use dangerous and unhealthy kerosene lamps and candles. A combination of these energy sources are commonly used in almost every rural household.

One of the primary challenges facing the country is to develop reliable sources of environmentally sound energy that can be made readily accessible to the rural poor without depleting the natural resource base. The Dominican Republic, therefore, must rely more heavily in the future on renewable energy sources. USAID/DR's policy and environmental initiatives to reform CDE continues, however, even if that multi-donor initiative is successful it will not ameliorate electrical energy shortages in rural areas in the near to medium term.

3. CONSISTENCY WITH MISSION STRATEGY

(a) Strategic Objective and Program Outcomes Supported:

S.O. No. 4 -- Increased Availability and Use of Environmentally-Sound Energy Sources

P.O. No. 4.2 -- Innovative Renewable Alternatives Developed and Disseminated in Rural Areas

P.O. No. 4.3 -- Improved Conservation in Critical Watersheds Contributing to Sustainable Energy

(b) Activity Purpose: This Activity will build upon new initiatives being undertaken by NGOs in the area of renewable energy sources (i.e. solar, wind, hydropower, reforestation and soil conservation) through replicable demonstration projects.

(c) Activity Description: USAID/DR will finance various NGO projects such as the following:

(1) Solar energy electrification at the community level for potable water and domestic lighting systems. These will also promote microenterprise development in rural areas. These projects will be implemented through a consortium of U.S./Dominican NGOs and rely on beneficiaries and local microenterprises to maintain the systems.

(2) Promotion of other solar energy technologies at the community level, such as solar cooking, heating and drying.

(3) Dissemination of fuel efficient stove and technology such as Lorena and ceramic stoves through joint cooperation between Peace Corps, NGOs and local communities.

(4) Support of pilot watershed conservation activities that can be easily replicated in critical watersheds, including components in agroforestry, soil conservation and fuel wood production.

(5) Support pilot demonstration activities in the use of wind energy for potable water systems and electrification.

These activities will be implemented through direct grants to NGOs in eligible areas, following established criteria. All such activities must satisfy minimum criteria, including beneficiary participation, women involvement in decisions on the use of alternative energy technologies, administrative and technical capacity and sufficient financial resources to help ensure sustainability of the activities and implementing institutions. In addition, all activities need to be easily replicable. A Dominican contractor will assist the NGOs develop application documents, monitor ongoing activities and provide selected training and technical assistance to help strengthen the Dominican NGO grant recipients.

This new Activity under USAID/DR's PVO Co-Financing Project would provide direct subgrants to U.S. and Dominican NGOs such as ENERSOL Associates, Asociación para el Desarrollo de Energía Solar (ADESOL), FLORESTA Inc., Fondo Integrado Pronaturaleza (PRONATURA), Fundación para el Desarrollo Comunitario (FUDECO), and Fundación para el Desarrollo del Suroeste (FUNDASUR).

(d) Anticipated impact: Widespread applications and replication of selected technical or process innovations, such as solar electricity and solar-powered water systems in rural areas, fuel-efficient stoves and adoption of other renewable energy technologies is anticipated to emerge from this Activity. The demonstration approach of the conservation activities will increase community interest and attract non-USAID funding. The communities involved will actively participate in the management of watershed conservation activities. There will be an increased prevalence of sound soil management

practices and a reversal of the deforestation trend in selected areas. Approximately 50,000 rural poor will have benefited from this Activity.

(e) Dialogue agenda: The energy-related efforts of this Activity will benefit from the policy advances made under the Electrical Energy Restructuring Project.

(f) Donor coordination: The new Activity would complement other donors capital investments for conservation or protection of natural resources in the country. Spain is the largest single foreign donor in natural resources -- providing $43 million, mostly to Los Haitises National Park. The European Union (EC) contribution totals $44 million. The IDB is providing $13 million of assistance to Plan Sierra for reforestation and a small amount to FLORESTA Inc. The World Bank promises to provide up to $30 million for irrigation projects like those started by USAID in the late 1980s. Germany is providing technical assistance and commodities for a dry-forest management project (bosques secos) in the southwest which is being planned for other regions. Japan, Taiwan, Mexico, and the United Nations each have natural resource portfolios of less than one million dollars. The actual or planned natural resource projects funded by other donors totals roughly $134 million, but none are seriously addressing alternative sustainable energy sources.

4. POLICY AND DESIGN ISSUES:

(a) Sustainability: The involvement of concerned non-governmental groups in development and support for proposed anti-siltation projects will promote increased longevity and sustainability of major hydroelectric projects. Additionally, several of the NGOs working with renewable energy sources provide financial assistance to end-users through rotating credit funds which have a proven track record of more than 10 years of sustainability and would be a key factor in assuring the activities are sustained in the long-term. Finally, USAID/DR expects, based on current experience, that proposed activities will be replicable.

(b) Potential issues and innovative program approaches: Partial funding for USAID/DR's proposal under the Environmental Initiatives for the Americas to support achievement of USAID/DR objectives in several NGO/PVO environmental activities is anticipated. This Amendment would ensure that USAID's proposed activities in this important area could be undertaken. Approval of USAID's $1.25 million funding request will make it possible to add new critical renewable energy activities to an ongoing project. Failure to receive funding requested will seriously hamper USAID's refocused strategic objective.

(c) Linkages to Global Bureau resources: This Activity builds upon Global Bureau efforts in the Dominican Republic in conservation and alternative energy production.

(d) Management and support requirements: The Activity would be managed under the Mission's PVO Co-Financing Project (517-0247) with subgrants to U.S. and Dominican NGOs by the Trade and Investment Office by a USDH Officer, a USPSC Manager, and an FSN Assistant.

(e) Timetable and resource requirements for developing the assistance proposal: USAID/DR will use internal resources to develop the Activity that would begin to be implemented in FY 96.

NEW ACTIVITY DESCRIPTION: **ECONOMIC POLICY AND PRACTICE, AMENDMENT**

1. BASIC DATA

(a)	ACTIVITY TITLE:	Economic Policy and Practice, Amendment
(b)	ACTIVITY NUMBER:	517-O262
(c)	TYPE OF FUNDING:	Development Assistance - Grant
(d)	FISCAL YEARS:	1992-1999 (2 year extension)
(d)	LOA FUNDING:	$2,000,000 increase to $6,000,000 (Incrementally Funded)

2. STRATEGIC FIT WITH THE AGENCY/BUREAU STRATEGY:

Having the appropriate economic policy framework is vitally important to assure sustainable economic growth. The role of NGOs in helping analyze, formulate and facilitate support for correct policies can greatly enhance reform efforts. This Activity has successfully financed several NGO efforts to promote economic reforms and practices, and USAID/DR proposes to enhance and extend its reach. The Project encourages and supports participation by the populace through representative NGOs, and through economic education of the citizenry, in the design, promotion, and implementation of equitable reform activities. These economic reforms will improve the country's economic climate, alleviate poverty, increase access to basic education and health care through increased social sector budget allocation, and generate increased employment.

3. CONSISTENCY WITH MISSION STRATEGY:

(a) Strategic Objective and Program Outcome Supported:

S.O. No. 1 -- Increased Access to Economic Opportunities and Benefits for Lower Income Groups

P.O. No. 1.1 -- Develop/Advocate Broad Consensus NGOs/Donor Organizations on Selected Policy Changes

(b) Activity Purpose: To strengthen, deepen, enhance and make more dynamic the participation of NGOs in economic policy design and sustained implementation.

(c) Activity Description: The Amended Activity will continue advocate the adoption and sustained implementation of sound economic policies, through NGO participation, with

the new component providing the additional facet of direct support for GODR reform initiatives once the new administration assumes office in 1996.

Technical assistance and subgrants will continue to be provided to grass-roots organizations that represent a cross-section of the Dominican nation as well as technically sound NGOs which have the capacity to formulate and advocate sound economic policies. Long and short term technical assistance will strengthen the ability of private and public organizations to formulate, advocate and implement market-oriented policies. Seminars, workshops and other events aimed at creating and sustaining pluralistic policy debates, market-oriented policy dialogues and broad consensus-building efforts and negotiations would be provided in country. Gender issues, such as the situation of women in different labor and other markets, access of women to income generating activities, advocating of sustained implementation of equal opportunity policies will be given special consideration in the proposed reforms.

The EPP Activity represents a flexible instrument for responding quickly and effectively to new reform initiatives espoused by the next GODR administration. To take maximum advantage of the political support the government will ideally posses to tackle long overdue restructuring, this Activity will provide the assistance necessary to analyze, formulate and facilitate consensus-building around priority reforms on a fast-track basis. The rapid response possible under this Activity will serve to expedite the mobilization of necessary other donor resources as well.

This Activity has proven to be a highly effective means of generating broad-based consensus on economic and social reforms ranging from social security and education to financial and trade concerns. By building upon this experience, this Amendment will position USAID/DR to support Dominican efforts to address long-awaited reforms, assuming the 1996 elections result in a legitimate government with the political will to pursue reforms.

(d) Anticipated impact: The Amended Activity supports the efforts of Dominican private and, to the extent that there is genuine commitment, public sector organizations to identify problems and plan policy reforms in their society. The Activity would help ensure a more level playing field for all Dominicans, particularly the poor.

(e) Dialogue Agenda: Amended activity will draw heavily on the expertise of the highly qualified Consultative Council. The active participation of the Consultative Council will be used as a forum for promoting informed debates on policy issues. Moreover, a proactive participation on the part of the prime grantee is expected. Dialog will occur on an effective basis as the participating NGOs, Consultative Council members and prime grantee join efforts in advocating implementation of selected sound policies affecting the disadvantaged.

(f) Donor coordination: A new component would fund selective NGO and Consultative Council activities integral to the programs of other donors.

4. POLICY AND DESIGN ISSUES:

(a) Sustainability: The involvement of concerned non-governmental groups in development and support for the policy reforms would be a key factor in assuring the activities are sustained in the long-term.

(b) Linkages to Global Bureau resources: Opportunities for drawing on support from the Global Bureau's Centers would be explored as implementation proceeds.

(c) Management and support requirements: The Activity would be managed by the Policy and Democratic Initiatives Office by a USDH Officer and an FSN Activity Manager.

(d) Timetable and resource requirements for developing the assistance proposal: USAID/DR will use internal resources to design the Amendment. The target date for signing the Activity Amendment is the fourth quarter of FY 96, and would depend to a large degree on the extent to which the May 1996 elections are conducted in a free and fair fashion.

NEW ACTIVITYDESCRIPTION: STRENGTHENING CIVIL SOCIETY II

1. BASIC DATA

(a)	ACTIVITY TITLE:	Strengthening Civil Society II
(b)	ACTIVITY NUMBER:	517-O275
(c)	TYPE OF FUNDING:	Development Assistance - Grant
(d)	FISCAL YEARS:	1997-1999
(d)	LOA FUNDING:	$1,500,000

2. STRATEGIC FIT WITH THE AGENCY/BUREAU STRATEGY:

Democratic sustainability is one of the four basic requirements upon which USAID'S Strategic Vision for economic and social advancement rests. All members of a society must be able to participate in economic and political activity, contribute to decisions affecting their lives and be assured of equal protection under law.

This proposed activity will result in the broader Dominican citizenry being more effective in raising their voice to promote the interests of the majority of Dominicans, successfully bringing this influence to bear on the decisions of their national leaders.

3. CONSISTENCY WITH MISSION STRATEGY:

(a) Strategic Objective and Program Outcome Supported:

S.O. No. 3 -- Increased Participation in Democratization

P.O. No. 3.1 -- GODR and public more actively engaged by civil society in promoting and shaping democratic reforms

(b) Activity Purpose: To broaden and deepen the democratic gains made as part of the 1996 presidential election process, establishing a broad array of public interest groups which are effective in voicing their demands that the Dominican democracy be more faithfully representative of the needs of the majority of Dominicans.

(c) Activity Description: The results of the 1996 elections will provide the backdrop for refining USAID/DR's position on the best direction to expand the democracy strategy. With the presidential elections completed, a follow-on effort will be needed to broaden the involvement of civil society in the democratic process. To advance these objectives, USAID/DR will continue its strategy, driven and shaped by Dominicans, centering around stimulating civic mobilization and popular participation. As a complement to the ongoing, long-term democratic education efforts of the Democratic Initiatives Project, this Activity will foster decentralization, more participatory governance, and greater

checks and balances between the three branches of government, possibly including a popularly-elected Constitutional Assembly.

USAID/DR will identify Dominican institutions and establish an agile, rapid response instrument (similar to the proven model currently used in the Democracy area). This mechanism will entertain Dominican proposals, submitted according to an established set of priorities for focussing on agreed upon areas, such as decentralization, good governance and developing checks and balances. Some of the activities that will likely be funded through both grants and contracts include mass media campaigns, networking of civic organizations within the hemisphere, seminars and workshops, and institutional strengthening. Gender issues regarding balancing the participation of women and men in promoting democracy will be of special concern in this Activity.
(d) Anticipated impact: The Activity supports the efforts of Dominican organizations to identify problems, generate consensus, advocate reforms, and support implementation of specific reform measures. The civil society will have a decisive role in shaping the development of Dominican democracy. The likely areas of emphasis will include: decentralization, empowerment with accountability, transparent governance with its impact on corruption, and improving the checks and balances of the three governmental branches. The Activity will help ensure an enhanced democratic environment which reflects the will of all Dominicans, particularly the poor.

(e) Dialogue agenda: A currently functioning Dominican Action Group, which will receive support from this Activity, will continue to assure the continuity and deepening of the constitutional reforms and other political reforms initiated in August 1994. The U. S. Government will not take a proactive role in promoting particular reforms. Democracy is not an export product. For democracy to succeed, it is for each nation to design its framework and then make it a reality. USAID's role is to be a catalyst to assure the continual development of the Dominican democratic process.

(f) Donor coordination: USAID/DR will continue to lobby other donors to support democratic initiatives of Dominican public interest groups. Furthermore, we will encourage each donor to carry forward specific efforts in its mutually agreed upon democracy emphasis area.

4. POLICY AND DESIGN ISSUES:

(a) Sustainability: This effort to strengthen Dominican civil society will complement the longer-term democracy education objectives of the Democratic Initiatives Project. By their completion, these two Activities will have developed a critical mass of knowledgeable, civic action-minded individuals and organizations which will be self-sustaining.

(b) Potential issues and innovative program approaches: The uncertainty of the 1996 presidential elections and the political will for reform coming out of them will influence

the areas of emphasis of this Activity. USAID/DR will continue to build and improve upon its considerable experience in participative approaches to development.

(c) Linkages to Global Bureau resources: USAID/DR will explore areas where Global Bureau expertise and world-wide focus may facilitate achieving the results desired. One area where support may be helpful is in the networking of Dominican organizations with others in the hemisphere.

(d) Management and support requirements: The Activity would be managed by the Policy and Democratic Initiatives Office by a USDH Officer, a USPSC Manager, and an FSN Assistant.

(e) Timetable and resource requirements for developing the assistance proposal: USAID/DR would use up to $50,000 of FY 96 PD&S funds to support development and begin implementation in FY 97.

NEW ACTIVITYDESCRIPTION: ADMINISTRATION OF JUSTICE

1. BASIC DATA

(a)	ACTIVITY TITLE:	Administration of Justice
(b)	ACTIVITY NUMBER:	517-O272
(c)	TYPE OF FUNDING:	Development Assistance - Grant
(d)	FISCAL YEARS:	1997-2004
(d)	LOA FUNDING:	$5,000,000

2. STRATEGIC FIT WITH THE AGENCY/BUREAU STRATEGY:

The legal system in the Dominican Republic, as in nearly all of Latin America, is based on code-law, rather than on common law as in the United States. The judiciary, as established by the Constitution and by law, should be an independent branch of the government. However, in reality the court system is not free from interference from various sources. The Executive controls its budget. Until very recently, the Senate has had the authority to choose all judges, and the Senate is also strongly influenced by the Executive. An outcome of the 1994 post-election crisis was a Constitutional Amendment to remove the selection of judges from the patronage power of the Senate and place the authority in the hands of a national judicial commission.

This interference compromises the Judiciary's independence, which results in less than impartial and swift justice, breeds corruption and inordinately impacts the poor. While historically the courts have been subject to outside pressures from the powerful, and at times to intimidation, there appears to be forming a critical mass of concerned citizens that is determined to achieve judicial reform. This Project would support promotion of democracy by seeking to increase the independence, professionalism and effectiveness of the judiciary, within the framework of strengthening democratic institutions. These efforts would at a minimum continue to build a sustainable base for reform and could bring about greater transparency and accountability in the Government. The Activity would advance a leveling of the playing field, on which the rights of the poor are too often trampled.

Although this Activity has been delayed from its original FY 1995 start date, USAID/DR has continued to support judicial reform efforts through the Democratic Initiatives Project. These efforts are promoting analysis of and consensus-building for legal reforms to establish a career judicial service and reduce the political influence on the judiciary. This Activity would support the Agency's aim of promoting democracy within a stable civil and commercial growth environment, strengthening the Dominican Republic's rule of law, as opposed to the existing rule of influence. When sustained, enhanced confidence in judicial equity will permeate the social fabric, yielding a

strengthened base upon which democratic processes and institutions which support them (free speech, free press, free enterprise) can thrive.

3. CONSISTENCY WITH MISSION STRATEGY

(a) Strategic Objective and Program Outcome Supported:

S.O. No. 3 -- Increased Participation in Democratization

P.O. No. 3.1 -- GODR and public more actively engaged by civil society in promoting and shaping democratic reforms

(b) Activity Purpose: To enhance the independence, professionalism and efficiency of the judiciary and related institutions. Preliminary indicators to measure performance include: greater public confidence in the judicial system (DEMOS surveys '94, '97, '01), increased transparent/independent decisions made by judicial institutions, and the number of justice reforms introduced, approved and implemented. Such reforms, would show the extent to which the judiciary is becoming more impartial and effective, and is enabling increased participation in the democratic process.

(c) Activity Description: The Activity would focus on institutional reforms needed to improve judicial system functions. Areas identified include: 1) improving the organization and administration of the court system, 2) reforming the judicial civil service, including the method by which judges are appointed and tenured, and 3) increasing judicial efficiency.

Technical assistance, training and subgrants would be provided to GODR judicial institutions as well as private entities such as law school faculties, and legal foundations, like Fundación Institutionalidad & Justicia (FINJUS), the Dominican Commissions on Human Rights, the Colegio Dominicano de Abogados, and the Asociación Nacional de Abogados. Technical assistance would be provided through long and short-term advisors working with Dominican public and private sector entities such as law school faculties and legal foundations, to analyze deficiencies in the existing legal framework and recommend changes to improve the administration of justice. Short-term training and seminars aimed at upgrading the quality of legal skills would be provided in the United States, third countries and in-country for judges, prosecutors, public defenders, and other legal personnel. A public education and awareness component would provide support for the development of educational materials to inform Dominicans of their rights and responsibilities as individuals under the Dominican Constitution, and to develop support for judicial reform efforts. Gender issues, such as elimination of discriminatory practices based on gender, should be given special consideration in the reform of the Civil and Commercial codes.

(d) Anticipated impact: The Activity supports the efforts of Dominican private and public sector citizens to identify problems and plan reforms of the judicial structure in their society. The Activity would help ensure fair and speedy justice to all Dominican citizens, particularly the poor and to avoid discriminatory practices based on gender. The Activity would also support increased and diversified external trade through evolution of more productive private businesses better able to resolve disputes through an improved judicial system. Strengthened citizen confidence in a fair judicial system would foster an increased demand for improved human rights, which is of particular importance for women.

(e) Dialogue agenda: In the initial stages of the Activity, through a Consultative Group of highly respected Dominicans representing a wide range of economic levels and through other channels, close communication would be maintained with the Dominican Government. Eventually, direct technical assistance would be available to the government as it begins to implement the needed policy and administrative reforms. The specific dialogue agenda may need to be adjusted depending on the outcome of the national elections and the resulting opportunities for reform.

(f) Donor coordination: The Activity builds on institutional strengthening efforts carried out with the United Nations Institute for the Prevention of Crime and the Treatment of Offenders (ILANUD) under the Regional Administration of Justice Activity. Discussions would be held with the World Bank and InterAmerican Development Bank to gain their support for reforms in this area through conditionality in their agreements with the GODR. All activities would be closely coordinated with other donors who become active in this area.

4. POLICY AND DESIGN ISSUES:

(a) Sustainability: The involvement of concerned non-governmental groups in development and support for reformed judicial institutions and systems would be a key factor in assuring the activities are sustained in the long-term. Training would result in a cadre of legal professionals seeking sustained reforms in the judicial sector.

(b) Potential issues and innovative program approaches: A constitutional amendment may be needed for certain reforms to be fully implemented. The Activity would work primarily with private organizations to foster demand for justice sector improvements. With the success of these efforts, activities would be initiated on the "supply side", i.e. the government, by providing support to implement reforms to meet the demand.

Over the last several years USAID/DR has been a strong proponent of participatory program approaches. This Activity would continue and improve upon this methodology which depends on broad Dominican involvement in design and implementation.

c) Linkages to Global Bureau resources: The Activity would draw on support from the Global Bureau's Democracy Center for technical backstopping, training and assistance with evaluations.

(d) Management and support requirements: The Activity would be managed by the Policy and Democratic Initiatives Office by a USDH Officer, a USPSC Manager, and an FSN Assistant.

(e) Timetable and resource requirements for developing the assistance proposal: USAID/DR would use approximately $50,000 of FY 96 PD&S funds for development. The design would be finalized and implementation begin in mid FY 97.

C. RESOURCE REQUIREMENTS (Table 3)

1. Bilateral OYB

Funding requirements are shown in Table 3.

Following the recent strategic objective review and program refocus, USAID/DR decided to phase out of Child Survival (CS) activities. As explained in Section II B., various factors, such as health indicators, length of USAID involvement in the intervention and the NGO strengthening which has been achieved, other donor programs and budget factors were considered. With CS funds provided in 1995, the Mission will be able to complete activities designed to further strengthen the NGOs presently involved.

The Mission does not, however, wish to see its OYB level reduced by this strategic decision. Funds at least equivalent to the $1.5 million in CS are required for the Sustainable Energy strategic objective (Number Four) and/or the Increasing Democratic Participation strategic objective in FYs 1996 and 1997.

1. Global Bureau

USAID/DR intends to continue its utilize Field Support funds in implementing the reproductive health and AIDS components of the Mission portfolio. We also wish to develop stronger linkages in support of Strategic Objective Four. We will be seeking technical assistance from Global/ENV and CDIE to refine the monitoring plan for that objective, as well as Field Support in FY 1996 to help formulate a sector strategy in view of our overall program strategy preparation for FY 1997.

For Strategic Objective Three, we will seek Field Support in FY 1995 from Global's new Civil Society Capacity Building project (936-5468), to continue in FY 1996. For Strategic Objective One, we expect to continue to draw on Global/G core funding for the AIFLD component of our amended Trade Practices, Productivity and Investment project (517-0267) in FY 1996 and 1997.

2. LAC Bureau

The Parks in Peril Activity's approach to community participation in park management meshes well with USAID/DR's efforts in the area of civil society empowerment. In addition, the Activity's intention to replicate its coastal zone successes in selected watersheds will be highly complementary to the Mission's watershed conservation activities under Strategic Objective Four.

TABLE 3
USAID/DOMINICAN REPUBLIC
SUMMARY PROGRAM FUNDING TABLE
US$000

FUNDING CATEGORY	FY 95 ESTIMATE	FY 96 REQUEST	FY 97 PLANNED
DEVELOPMENT ASSISTANCE			
Mission Strategic Objective #1			
517-0000 Program Dev. & Supp.	194	300	300
517-0247 PVO Co-Financing	500	630	630
517-0251 PIPE	737	0	0
517-0262 Economic Policy & Practice	56	1,000	1,000
517-0267 Trade Practices & Product.	0	500	500
GLOBAL ACTIVITIES			
926-0071 PTMS	15	0	0
LACTECH		25	25
Other G.		105	105
Subtotal SO.#1	1,502	2,560	2,560
Mission Strategic Objective #2			
517-0000 Program Dev.& Support	0	50	100
517-0247 PVO Co-Financing	760	555	555
517-0259 Family Planning & Health	3,666	5,000	5,100
GLOBAL ACTIVITIES			
936-3023 DHSD III	197	300	0
936-3038 Fam. Planning Logistics	49	50	50
936-6004 Peace Corps SPA		45	45
936-3068 AVSC	158	100	100
936-3058 CARE	200	200	200
936-3057 CCP	369	500	550
936-5972 AIDSCAP	750	750	750
936-5966 Promot.of Breastfeeding	135	0	0
936- Adolescent Reprod.H		50	50
936-3030 Operations Research			100
Subtotal SO. #2	6,284	7,600	7,600

FUNDING CATEGORY	FY 95 ESTIMATE	FY 96 REQUEST	FY 97 PLANNED
DEVELOPMENT ASSISTANCE			
Mission Strategic Objective #3			
517-0000 Program Dev. & Support	50	100	100
517-0247 PVO Co-Financing	0	300	300
517-0265 Democratic Initiatives	0	1,500	1,500
517-0272 Administration of Justice	0	0	0
517-0273 Strengthening Civil Society	1,460	0	0
517-0275 Civil Society II		500	500
GLOBAL ACTIVITIES			
936-5468 Civil Soc. Capacity Building	50	150	150
Subtotal SO.#3	1,560	2,550	2,550
Mission Strategic Objective #4			
517-0000 Program Develop. & Support	40	100	100
517-0247 PVO Co-Financing	400	500	500
517-0274 Alternative Energy	0	650	650
GLOBAL ACTIVITIES	-		
936-5555 Envirn. & Nat. Resource Policy		200	200
936-5600 AAAS		150	150
936-5741 Energy Tech. & Innovation		140	140
Subtotal SO.#4	440	1,740	1,740
TOTAL DA	9,786	14,450	14,450
Title II Food Program	3,800	3,800	3,800
PROGRAM TOTAL	13,586	18,250	18,250

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TABLE 3 ANNEX
USAID/DOMINICAN REPUBLIC
FY-1997 PROGRAM AT FOUR LEVELS
US$000

FUNDING CATEGORY	FY 1997			
	75%	85%	100%	105%
DEVELOPMENT ASSISTANCE				
Mission Strategic Objective #1				
0000 Program Dev. & Supp.	200	250	300	300
0247 PVO Co-Financing	300	250	630	630
0262 Economic Policy & Practice	800	900	1,000	1,200
0267 Trade Practices & Product.	550	600	500	600
Global Activities				
0071-926 PTMS	0	0	0	0
LACTECH	25	25	25	25
Other	25	75	105	105
Subtotal SO.#1	1,900	2,100	2,560	2,860
Mission Strategic Objective #2				
0000 Program Dev.& Support	20	45	100	100
0247 PVO Co-Financing	250	300	555	555
0259 Family Planning & Health	4,500	4,800	5,100	5,100
Global Activities				
936-3023 DHS III	0	0	0	0
936-3038 FPLogistics	50	50	50	50
6004 Peace Corps SPA	45	45	45	45
936-3068 AVSC	50	75	100	100
936-3058 CARE	100	150	200	200
936-3057 CCP	500	500	550	550
936-5792 AIDSCAP	750	750	750	750
936- Adolescent Reprod.H			50	75
936-3030 Operations Research	75	75	100	100
936-5966 Prom. of Breastfeeding	0	0	0	
Subtotal SO. #2	6,340	6,790	7,600	7,625

FUNDING CATEGORY	FY 1997			
	75%	85%	100%	105%
Mission Strategic Objective #3				
517-0000 Program Dev. & Support	50	90	100	100
517-0247 PVO Co-Financing	100	150	300	400
517-0265 Democratic Initiative	700	800	1,500	1,600
517-0272 Administration of Justice	300	500	0	
517-0275 Civil Society II	500	500	500	600
Global Activities				
5468 Civil Society Capacity Building	100	100	150	150
Subtotal SO.#3	1,700	2,140	2,550	2,850
Mission Strategic Objective #4				
517-0000 Program Develop. & Support	0	0	100	100
517-0247 PVO Co-Financing	400	400	500	550
517-0274 Alternative Energy	500	500	650	700
Global Activities				0
936-5555 Env. & Nat. Res. Policy		200	200	200
936-5600 AAAS		150	150	150
936-XXXX Energy Tech & Innovation		140	140	140
Subtotal SO.#4	900	1,390	1,740	1,840
TOTAL DA	10,840	12,420	14,450	15,175
Title II Food Program	2,000	2,000	2,000	2,000
TOTAL DA AND FOOD AID	12,840	14,420	16,450	17,175

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D. ALTERNATIVE SCENARIOS (Table 3A)

As directed, USAID/DR has considered the impact of 15% and 25% funding reductions in FY 1997 from the FY 1996 planning level of $14.45 million. Because of the almost 40% OYB reduction suffered by this Mission in FY 1995, a cut (in FY 1997) of 25% from this higher FY 1996 base would leave us in approximately the same funding position as this year. This would seriously undermine our ability to carry out a sustainable development program in the Dominican Republic, in particular if the political climate for reforms improves in 1996. If we also have to continue to live with "soft" directives, it would mean that we could continue only bare bones economic growth activities. We would probably have to short change (again, as in FY 1995) the activities of Strategic Objective One in order to make minimum acceptable funds available for our Democracy and Sustainable Energy Objectives.

Our population and health activities would stay largely unaffected as long as we remain constrained by the protective framework applied to this area.

E. PERFORMANCE MEASUREMENT

USAID/DR's motivation in reviewing its Strategic Objective framework was to refine and refocus that framework in such a way as to improve program management and accountability, in the context of the Mission's role as an Experimental Reengineering Laboratory. Reformulating the Strategic Objectives and expected Program Outcomes to be consistent with the Mission's realistic "manageable interest" required rethinking the monitoring and performance measurement system as well. The strategic exercise began toward the end of January, 1995, and was carried out intensively by Mission staff after the consultants' departure, throughout February and March. The experience has been arduous but rewarding. For most objectives and program outcomes, performance indicators and targets could either be carried forward from earlier formulations, or substituted by similar but more appropriate indicators. For some, however, completely new indicators had to be developed. This is especially the case for Strategic Objective Four, where the LAC Bureau has asked USAID/DR to continue environmental actitivities even though a separate S.O. was not approved. The Mission welcomes assistance from LAC and Global Bureaus to continue to refine the performance measurement framework for S.O. 4.

SECTION IV
PROGRAM MANAGEMENT REQUIREMENTS

PROGRAM MANAGEMENT REQUIREMENTS

1. Operating Expense Budget

Early this fiscal year the Mission was hit with another cut in its OE budget allocation from our ABS, resulting in an annual operating expense budget for FY 1995 of $2.31 million. Fiscal year 1995 also brought rapidly rising demands on the OE budget due to conditions outside the control of the Mission and, as outlined below, we expect even further increases in OE expenditures in these areas in FY 1996 and FY 1997. Inflation in the local economy hit 14.4% in CY 1994 yet GODR intervention in the marketplace kept the dollar/peso exchange rate relatively stable. The result is rapidly rising costs with no relief through exchange rate gains. The Mission has reacted with the imposition of cost saving measures wherever possible, but the budget is stretched to the limit in order to carry us through this fiscal year. As outlined below, given these present circumstances and this realistic outlook for the future, the Mission projects OE budget requirements for both FY 1996 and FY 1997 at the $2.51 million level in order to continue to manage its portfolio responsibly.

Even with declines in staffing levels in the last several years, the portion of the Mission's OE budget dedicated to FSN personnel salary and benefits has continued to rise, and now fully 46% of the budget is allocated to these expenses. As a result, any upward adjustments in the Local Compensation Plan have very immediate and significant impacts on the budget. The annual FSN salary survey for 1995 resulted in average wage increases of approximately 18% for FSNs, at an annual cost to the Mission of $171,000. A State Department team is currently in-country performing a full review of the Local Compensation Plan. This full review, which includes selecting new local comparator companies and FSN position matches, has not been performed since 1989. In light of the radical changes in the local economy and serious inflationary pressures in the intervening years, the Mission expects the review to result in significant additional increases in FSN benefits.

Further deterioration in the capacity of the state-run electrical utility company is reflected in much higher frequency of rolling power blackouts throughout the city. The Mission's residential and office electrical generators are in use much more often this year than last, and operating and maintenance costs for the equipment has risen. Expensive mid-lifecycle overhauls for many of the generators will be required in FY 1996. The only long-term resolution of the problems in the energy sector will come from privatization, but the country still lacks the political will to take that step. All predictions are for the energy sector to fall even further short of the country's needs in the next two years, and the cost to the Mission of generating power will continue to rise.

An additional expense the Mission has been forced to assume is in the area of GSO services. For many years the Mission has been part of an extensive Joint Administrative

Operation (JAO) with other agencies at post. In 1994, in reaction to budget cuts, the State Department cut deeply into the staff of the GSO maintenance unit. The result was that the JAO has been unable to respond to many of the Mission's requests for residential/office maintenance services, and we have begun to use local contractors to fill in the gaps for these essential services. A study of the JAO operation performed by an outside contractor concluded that the Mission was forced to perform 29% of its overall GSO actions outside of the JAO, at an annual cost to the OE budget of over $50,000. Given that State Department budget cuts will almost certainly continue, the Mission expects to be forced to handle even higher percentages of these actions in FY 1996 and FY 1997 with even greater impacts on the OE budget.

The Mission's historical reliance on the JAO has left us at a critical disadvantage vis a vis other Missions in the region in times of OE budget shortfalls. Through the annual FAAS assessment determined in Washington, this Mission is forced to pay a large, basically fixed, fee for almost all of its administrative services, whereas other Missions pay for the majority of their administrative services through their OE budget. When OE budget cutbacks occur, this Mission does not have the flexibility other Missions have to make discretionary cutbacks in selected areas of administrative services, but is faced with cutting in critical areas with more immediate impacts on program management, such as personnel.

An example where this lack of flexibility has hurt is in the area of staff development and training. As one of the Agency's reengineering labs, USAID/DR has taken a number of measures to empower its staff, develop functioning teams and encourage innovation. Unfortunately, our OE Budget situation has not permitted the necessary spending to train our staff to assume new responsibilities and to learn new operating systems.

USAID/Santo Domingo has taken serious budget cutting measures, such as renegotiating its long distance telephone service rates for an annual savings of over $30,000, moving personnel from OE to program funding, and postponing NXP and vehicle procurements well beyond proper replacement cycles. The Mission has willingly shouldered the additional burdens of providing contracting and controller services to other Missions in the region, which has the effect of leaving the Mission with two USDH providing less than full-time services yet which cost the Mission as much in OE as full-time USDHs.

2. Staffing

Due to the significant reductions in staffing levels which took place over the 1990-1995 period (see attached chart), the Mission has already arrived at the minimum level required to manage its program levels. The Mission projects the necessity of maintaining these staffing levels through FY 1996 and FY 1997. As seen in Table 3A, a 25% funding cut from the FY 1996 base results in a funding level not significantly different than the actual FY 1995 level. Because of the staff intensive nature of our highly participatory program with NGOs, current staff levels will need to be maintained.

TABLE 4
USAID/(country)
OE Funding Requirements
($000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 95	FY 96	FY 97
U100 U.S. Direct Hire	180.9	182.5	132.5
U200 F.N. Direct Hire	312.8	334.7	358.1
U300 Contract Personnel	759.5	799.0	832.9
U400 Housing	506.4	516.0	526.0
U500 Office Operations	333.2	502.0	571.3
U600 NXP Procurement	222.2	175.8	89.2
Total Mission Funded OE/TF Costs	* 2,315.0	**2,510.0	** 2,510.0
Of which TF Funded			

*Must not exceed Approved Annual Plan.
** Should not exceed estimated actual FY95 levels.

Mission Staffing Requirements

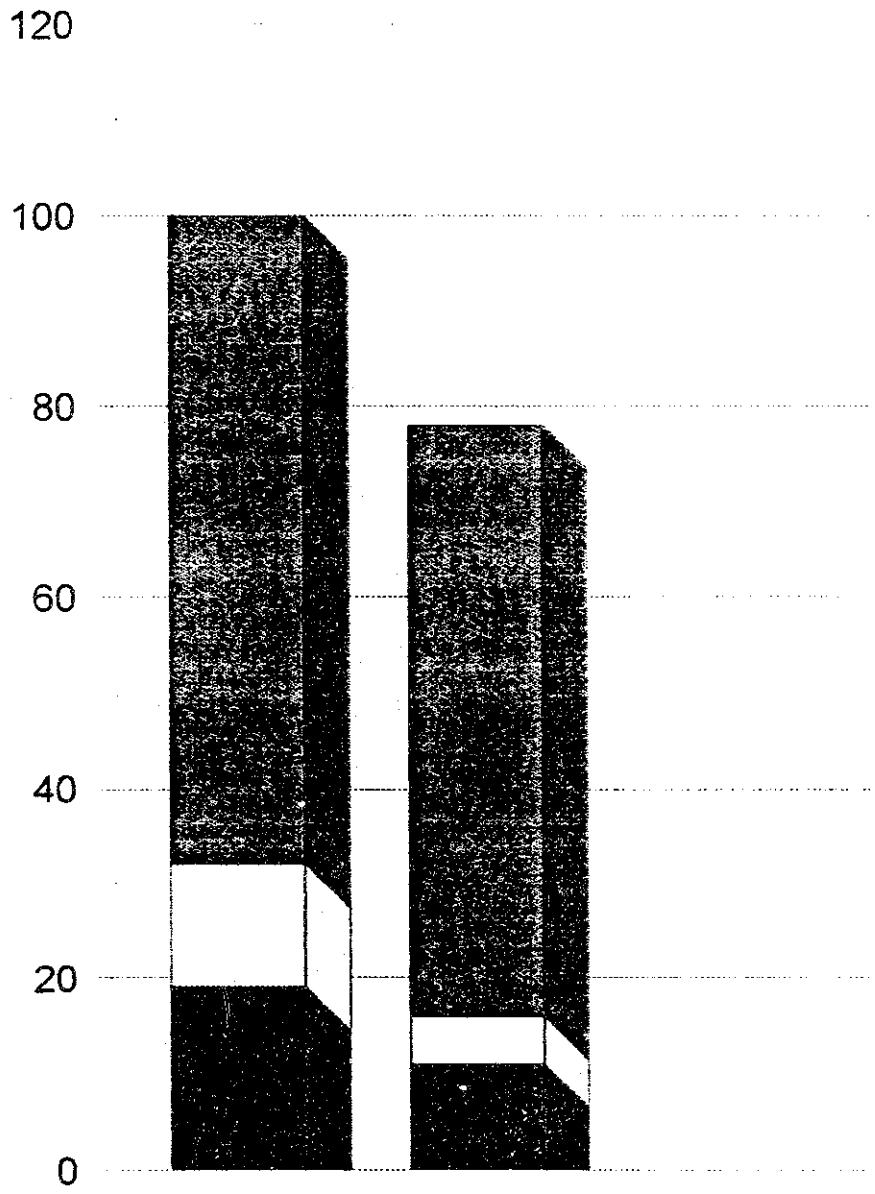
	FY95					FY96					FY97				
	USDH*	USPSC**	TCNPSC**	FSN	Other	USDH*	USPSC**	TCNPSC**	FSN	Other	USDH*	USPSC**	TCNPSC**	FSN	Other
Total Authorized Positions	12	3	0	61		12	3	0	61		12	3	0	61	
of which Program funded		3		5			3		5			3		5	

*** May not exceed authorized USDH position ceiling**
****Must agree with Bureau established PSC ceilings for FY95. Any increases requested for FY 96\97 must be specifically justified within the context of planned program activity.**

SANTO DOMINGO OPERATING EXPENSES
BUDGET AND STAFFING REQUIREMENTS FOR FY 1997

	FY'96 Minus 3%	Loss of Trust Funds	160 Staff Limit	Minus 25% Program Budget
BUDGET				
OE ($ Millions)	2.25	2.51	2.51	2.51
TRUST FUNDS ($ Millions)	0	0	0	0
TOTAL ($ Millions)	2.25	2.51	2.51	2.51
STAFF				
USDH	12	12	12	12
USPSC	3	3	3	3
FSN	61	61	61	61
TOTAL	76	76	76	76

USAID/DR PERSONNEL



	1990	1995	Change
USDH	19	11	42%
USPSC	13	5	62%
FSN	68	62	9%

SECTION V
MISSION INITIATED ISSUES

MISSION ISSUES

1. Resource Levels

As a medium-size mission, USAID/Dominican Republic cannot continue to absorb program, staffing and operating expense cuts without seriously affecting its capacity to run a sustainable development program. For example, discretionary fund limitations this year forced the Mission to choose between economic growth activities and our civil society initiative. Training to support our reengineering lab experiment has been strictly limited, and our USPSC and IDI expectations have been frustrated. Further curtailment of resource levels will seriously undermine our ability to support long awaited reforms assuming the political environment warrants our active involvement following the '96 elections.

Specifically, USAID/DR requests LAC support and commitment in the following areas:

a) Program Levels

To implement USAID's **civil society strategy** in support of fair, open elections in 1996, approximately $1.5 million is budgeted in FY 95 resources. These funds are at risk given the impending rescission and overall budget pressures. A grant proposal from IIDH/CAPEL is currently under review, however, obligation of funds will likely not occur before June. LAC assistance is requested to ensure that these FY 95 resources will remain available for this purpose.

Our recent strategic objective refocussing exercise led to a decision to phase out our Maternal Child Health activities, including approximately $1.5 million annually in Child Survival directive funds. A decision was also made to establish a separate strategic objective for energy and the environment. We request that every effort be made to respect these shifts so as not to undermine the integrity of the Mission's strategic planning. In particular, we request that environmental resources be made available over the FY 96-97 period to compensate for shortfalls in Environmental Initiative for the Americas (EIA) funding for the USAID/DR proposal.

b) Staffing Levels

At last year's Action Plan review, LAC agreed to do what was possible to fill the Mission's need for an additional USPSC position. Unfortunately, our control level was not adjusted accordingly. Our level of three USPSC positions is significantly lower than other medium size missions in the region, reflecting in part serious workforce reduction measures effected by USAID/DR in prior years. Our request for an IDI this year was not successful. What is the likelihood of obtaining an IDI next year? Will LAC support our request that AAAS fellows in family planning and the environment be assigned to the Mission?

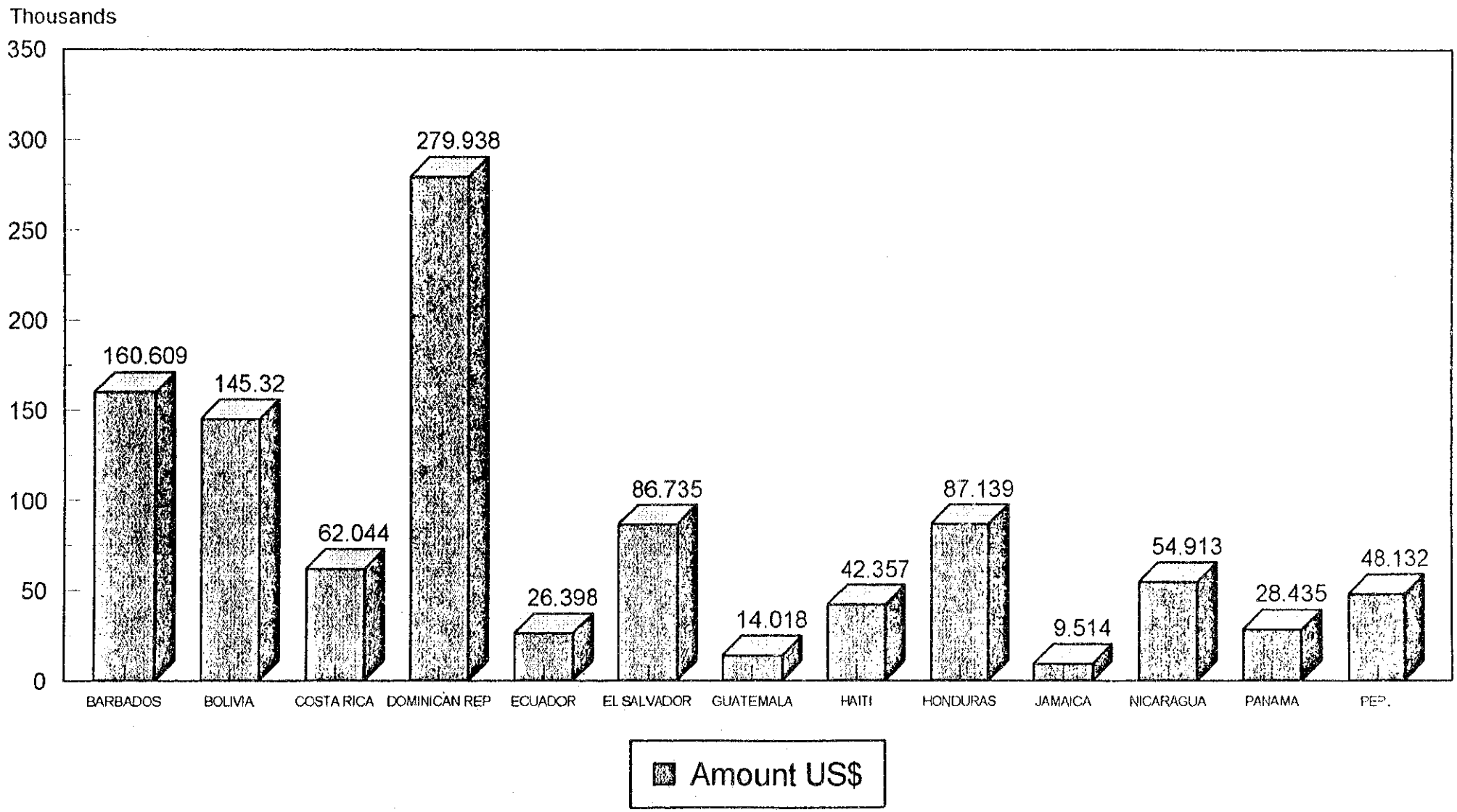
c) Operating Expense Levels

USAID/Santo Domingo needs greater control over its administrative costs. Currently, our Mission has a heavy dependence on the State Department's General Services Office for administrative support for office and residential operations and maintenance. These costs are covered through a transfer of funds in Washington from USAID to State under a FAAS agreement and are not a part of our operating expense budget allowed to the field. Our Mission has a far heavier reliance on FAAS services than any other USAID in the region. As State experiences budget cuts and makes decisions in the field not to provide services, our Mission will be forced to assume greater costs to continue providing those services from funds allowed to us in the field. Unlike other Missions in our region who have a larger OE allowance to absorb these costs, we have less flexibility with a smaller pool of funds to set priorities and make budget decisions. As a result, unexpected demands such as local compensation plan adjustments and electrical power-related expenses place undue limitations on our operating expense budget. There is no incentive to save FAAS costs for our Mission as savings are never considered to increase the funds under our control in the field. We require FY 95 planning levels (i.e. $2.51M) for FYs 96 -97 in OE funds to meet our minimum requirements. We also request LAC support in renegotiating our FAAS levels to reflect realistic compensation levels for services received.

2. Deob-Reob Authority

The Junta Central Electoral (JCE) has indicated that it will not require outside technical assistance to prepare for the May 1996 elections. Approximately $800,000 remains under the Electoral Reform (517-0269) project. USAID/DR requests deob-reob authority to permit the use of these funds to enhance our civil society strengthening initiative leading up to the 1996 elections.

FAAS BILL AMOUNTS FOR FY 94



SECTION VI
SPECIAL REPORTING REQUIREMENTS

A. TROPICAL FORESTRY/BIODIVERSITY UPDATE

The biodiversity of species and subspecies is exceptional in the Dominican Republic in large part due to the tremendous geographical variations and numerous microclimates on the island. Sharing Hispaniola (the second largest island in the Caribbean) with Haiti, the Dominican Republic has the highest elevation in the Caribbean with Pico Duarte at more than 10,000 feet and it also has the lowest point with lake Enriquillo at more than 130 feet below sea level. These unique island attributes contribute to the high rate of endemism; 15% of the fishes, 97% of the amphibians, 83% of the reptiles and 15% of the birds are exclusive to the island.

A. Major Conservation Challenges Facing the Dominican Republic

The Dominican Republic is struggling to preserve its biodiversity. It has 25 protected areas making up more than 10% of its territory, plus extensive marine habitats and offshore islands. At the same time it is heavily populated with 7 million inhabitants. During past decades, the forested land has drastically dropped to near 10% of the country's surface. Eighty-nine species of vertebrates are considered threatened and in a recent survey by the Wildlife Department sponsored by the World Wildlife Fund, 15 new areas were recommended for special protection.

A variety of institutional and policy constraints continue to frustrate effective tropical forestry and biodiversity conservation efforts in the Dominican Republic. The sector has been noted for its institutional redundancies, inefficiencies, lack of coordination and frequent and volatile policy changes. Unfortunately, as policies vacillate, tropical forests continue to be exploited by unsustainable agriculture, tourism expansion, and urban growth. Biodiversity continues to be degraded irreversibly.

A recent USAID commissioned Intensive Survey of Rural and Urban Activities Impacting Water and Coastal Resources concluded that the country's forests and coastlines face intense pressure from agricultural development and tourism. It is estimated that tropical forests are being lost from the Dominican Republic at a rate of 20,000 hectares per year, and the area degraded by firewood and charcoal extraction is estimated at 60,000 hectares per year. While strict tree-cutting bans exist, the GODR promotes clearing of forest lands for agricultural development. The degradation of forest impacts terrestrial bio-diversity, and also results in the degradation of watersheds. Coastal resources are threatened by unrestricted developments for tourism and charcoal exploitation resulting in the elimination of many mangrove forests which are essential for maintaining the productivity of the country's artisanal fisheries. Throughout the country, inadequate planning for treating and disposing of urban waste is threatening water resources and coastal biodiversity.

B. Progress in Meeting Conservation Challenges

The GODR has created a network of 13 national parks and eight scientific reserves. Additionally, tracts of government land still covered by forests are nominally under the protection of the Directorate General of Forestry. In recent years, a number of laws and presidential decrees have been enacted to protect these and other areas including cash incentives for trees planted and maintained in designated watershed areas (Decree 260-92), hunting prohibitions in protected areas (Decree 55-92), and the creation of institutions responsible for setting and enforcing pollution standards (Decree 266-90).

Despite these efforts, the GODR does not have the institutional structures required to fully administer and protect the environment from exploitation and abuse. Park guards exist, but are underpaid and inadequately trained, and are often influenced by persons desiring to exploit park resources. Conservation and protection programs are hampered by lack of funds, inadequately trained staff, and poor organization. While some attempts are being made to increase Dominican agency coordination, the GODR in conjunction with several local environmental NGOs is struggling to create a more comprehensive plan to manage the environment.

In recent years USAID support, as well as that of other international donors, helped foster dramatic increases in the formation of non-governmental organizations active in environmental matters. These activities conform closely with both sections 118 and 119 of the FAA which state, "Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations which are active in the region or country where the project is located." USAID's PVO Co-Financing Project, 517-0247, funds several sub-projects being implemented by NGO/PVOs with components in reforestation, watershed management, agro-forestry, environmental education, ecotourism development, waste management, and coastal zone management.

In addition, USAID supports two national parks through the centrally funded Parks in Peril program of the Bureau for Latin America and the Caribbean and The Nature Conservancy.

C. Recommended Follow-up

USAID support will continue to go primarily to Dominican non-governmental organizations which demonstrate an interest and ability to effectively implement natural resource programs -- particularly in the area of utilizing alternative energy resources as a means of protecting the environment. Additionally USAID will promote centrally funded projects -- such as the Parks in Peril Program -- and encourage close interagency and donor coordination on biodiversity and the environment.

B. FOOD SECURITY

USAID/DR has programmed Title II resources for over 30 years. This decade has marked a transition from purely food distribution into food assisted developmental projects. Despite Host Government pressure, USAID and CARE have at last extracted food-aid resources away from a long-running school feeding project. A refocused Maternal-Child intervention, a water and sanitation urban food for work, as well as two additional activities (school latrines with a complementary hygiene education component and a disaster preparedness project) were approved under the Multiyear Operational Plan for FY94-96. The current Title II level is $4.2 million. A creative use of food has allowed USAID to fully integrate Food Aid into the Mission's Strategic Objectives as described in Section II. B. USAID and CARE are committed to look for new innovative/effective ways of utilizing Title II resources which we intend to continue requesting in the future.

The Title II maternal-child project (PROMI) promotes food security by targeting food distribution to priority groups with the highest risk of malnutrition. The PROMI project baseline study indicates that in project communities, 48.9% of children 12-23 months old suffer from low or very low weight-for-age, several multiples of the national average. The project addresses the causes of malnutrition as well as its symptoms by training village mothers' clubs in health and nutrition. PROMI fosters stable access to food resources by encouraging women to become more active participants in food resource allocation, its utilization, and in community decision making. PROMI is an integral component of USAID/DR's strategy to stabilize population growth and improve health status.

The Urban Food for Work (UFFW) project, PROSANA, contributes to food security by promoting community developmnent in sound environmental activities and by mitigating food shortfalls through the distribution of food which would have otherwise consumed up to 75% of the family's weekly household consumption. "Food plus health" needs are addressed by the construction of the water and sanitation hook-ups, attacking one of the fundamental causes of mortality and morbidity as well as worker productivity which profoundly impacts livelihood security.

Progress to Date

Data collected by CARE demonstrates PROMI's contribution to food security improvement. Pre-intervention baseline data showed low-birth weight at 12% in target communities. Within twelve months, low-birth weight has been reduced to 5% to babies borne under the project; 2,536 expectant mothers enrolled in the project between November and February (with 2,426 succesfully "graduating"). Trends in malnutrition are proving more difficult to influence. Over the last twelve months, a steady 35% of malnourished children have left the project having recovered their nutritional status, while 13%-15% have been re-enrolled, not having demonstrated meaningful weight

gains. A mid-term impact evaluation scheduled for the end of this calendar year will provide further food security information.

Under the UFFW project, CARE is about to inaugurate two water and sanitation systems in urban slums that will show improvement in environmental practices having a long-term impact on food security. Title II commodities distributed by CARE provide short term food security for inhabitants of selected urban communities where socio-economic studies show that over 75% of heads of households do not have steady work, resulting in irregular food supply.

Finally, CARE is in the midst of conducting an urban food security and livelihood assessment that will provide USAID with a better understanding of the magnitude of the problem within the context of the Dominican Republic, as well as contribute to development literature on issues surrounding food insecurity in the urban environment worldwide. This assessment will allow us to to direct our resources for greatest impact on our customers.

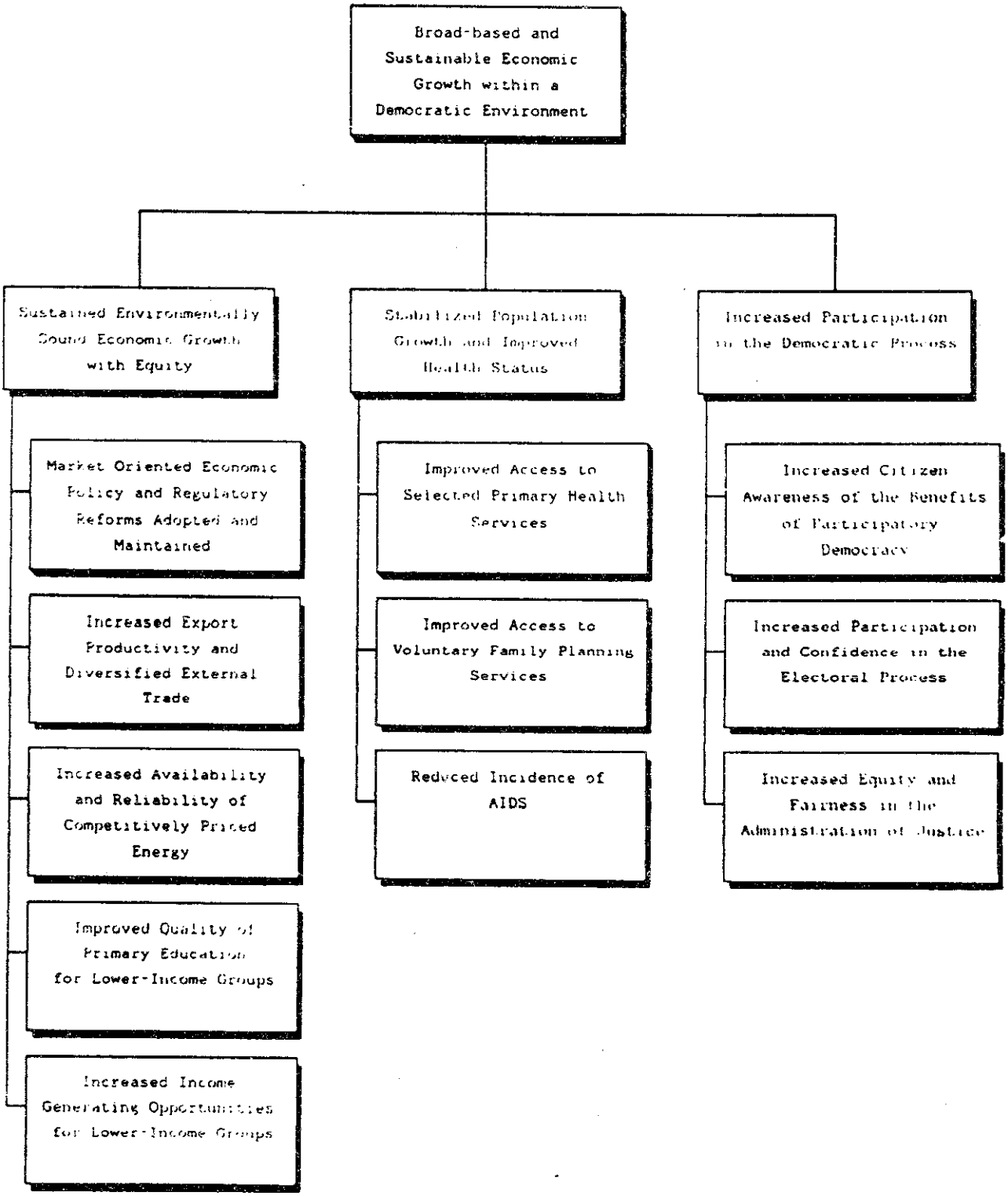
ANNEX A

FY 1996-1997 ACTION PLAN

ANNEX A

USAID/Dominican Republic
Mission Program Objective Tree

1994



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ANNEX B

CHANGES IN STRATEGIC OBJECTIVES, PROGRAM OUTCOMES, AND INDICATORS

CURRENT ACTION PLAN	LAST YEAR'S ACTION PLAN	COMMENTS
STRATEGIC OBJECTIVE ONE		
S.O.1 Increased Economic Opportunities and Benefits for the Dominican Majority - Poverty level - Unemployment/Underemployment Rates - School Desertion Rates	**S.O.1. Economic Growth with Equity** - Poverty level - National Exports - Proportion of Non-traditional exports - GINI Coefficient	All indicators but Poverty Level are new
P.O.1.1 Develop/Advocate broad consensus among NGOs/Donors - Widespread national debate on government social sector expenditures - Widespread national debate on Micro and Small Business trade issues - Sustained donor consensus on key policy issues	**P.O.1.1 Economic Policy and Regulatory Reforms** - Market Interest Rate Policy - Market Exchange Rate Policy - Fiscal Discipline - Tax Revenue from Tariffs	
P.O.1.2 Integrate Disadvantaged Populations into Financial and Labor Market - New employment in Micro and Small Business sector receiving loans from NGOs - NGOs continue providing credit to clients - Collective bargaining agreements - Provide legal assistance to enforce labor code	**P.O.1.2 Increased Export Productivity and Trade** - Total Private Investment - Foreign Investment - Output/Unit of Labor - Number of Foreign Firms Investing	Last's year P.O.1.2 completely revised
	P.O.1.3 Increased Availability and Reliability of Energy - Private Electric Power Generated to Grid - Status of Electric Power Law - CDE Divided Into Generation, Transmission and Distribution Enterprises	Energy Activities transferred to S.O.4
P.O.1.3 Improve Quality of Primary Education - Standardized test scores at the end of 4th grade - Grade level Repetition Rates	**P.O.1.4 Improved Quality of Primary Education** - Standardized test scores at the end of 4th grade - Grade Level Attained by 10-year-old	Unchanged Deleted
	P.O.1.5 Increased Income for Lower-Income Groups - New Employment in Micro Business Sector	Microenterprise activities integrated into P.O.1.2

CURRENT ACTION PLAN	LAST YEAR'S ACTION PLAN	COMMENTS
STRATEGIC OBJECTIVE TWO		
S.O.2 Increased use of effective primary health care services by underserved populations - Total mortality rate - Infant mortality rate for selected regions - High risk births - Condom use during most recent act of sexual intercourse by: adolescent/young adults, female CSWs, industrial workers, and hotel workers	**S.O.2 Stabilized Population Growth and Improved Health Status** - Infant Mortality Rate - Total Fertility Rate	Emphasis on regions and groups with poor coverage
P.O.2.1 Improve access to and quality of reproductive health among target populations - Contraceptive prevalence rate - Couple year protection provided - Birth interval - Discontinuation rates of temporary family planning methods	**P.O.2.2 Improved Access to Family Planning Services** - Contraceptive Prevalence	P.O.2.1 and P.O.2.2 shifted and modified. All indicators but contraceptive prevalence are new
P.O.2.2 Increase knowledge of and access to selected MCH interventions - Exclusive Breastfeeding rate in targeted area - Continued feeding to children with diarrhea in targeted area - Babies born with low birth weight in selected communitiesia birth rate in selected communities	**P.O.2.1 Improved Access to Selected Health Services** - Exclusive Breast-Feeding Rates - Access to Oral Rehydration Therapy (ORT)	P.O.2.1 and P.O.2.2 shifted and modified. All indicators but exclusive breast-feeding are new
P.O.2.3 Reduce high risk behavior related to HIV/AIDS/STDs - Knowledge of preventive practices in high risk groups: adolescents/young adults, CSWs, industrial workers, and hotel workers - Condoms available for target population - STD case management with: female CSWs, hotel workers, and MWM	**P.O.2.3 Reduced Incidence of AIDS** - Knowledge of AIDS Related Behavior - Incidence of HIV	P.O.2.3 revised: all indicators are new
P.O.2.4 Increase community participation in provision of water and sanitation services - Access to water and sanitation facilities - Knowledge of correct use and maintenance of water and sanitation facilities		Activities carried out under PVO Co-Financing Project not previously integrated in S.O. reporting

CURRENT ACTION PLAN	LAST YEAR'S ACTION PLAN	COMMENTS
P.O.2.5 Broad based consensus on selected health care reforms - General health law passes House and Senate		
STRATEGIC OBJECTIVE THREE		
S.O.3 Increased Participation in Democratization - Eligible voters who voted - Eligible voters intending to vote - Citizens involved in lobbying for democratic reforms - Citizens active in NGOs and/or community groups	**Increased Participation in the Democratic Process** - Significant Issues Brought to Formal Negotiation - Citizen Participation in Political Process - Negotiated Agreements Implemented	Last year's S.O.3 revised to focus on the means of promoting civic participation
P.O.3.1 Civil Society engages GODR and the Public in promoting and shaping democratic reforms - Draft reform regulations introduced - Number of public hearing held - Active, broad-based, NGOs/community groups network(s) created for Rule of Law (ROL), Decentralization Reform (DR), and Government's Checks and Balances (GC&B) lobbying purpose - Public engaged by NGOs/community groups network(s) ROL, DR, and GC&B in lobbying efforts	**Increased Awareness of Benefit of the Democracy** - Public Opinion on Importance of Political Consensus - Awareness of Advantages of Participatory Democracy - Perception that Democratic System is Benefitting Citizens	Stronger focus on civil society
P.O.3.2 Strong public pressure for free and fair election exerted - Polls monitored by trained citizens placed by citizens election coalition - Active Municipal citizens' election coalition committees monitoring the electoral process - Breadth of societal support for the citizens' coalition - Citizens' election coalition advocates engaging respected, neutral, and trained citizens to man the polls	**P.O.3.2 Increased Participation in Electoral Process** - Election Results Published on Time - Eligible Voters Registered - Registered Voters who Voted - Confidence in Fairness of Electoral Process	Last year's P.O.3.2 revised to reflect new circumstances

CURRENT ACTION PLAN	LAST YEAR'S ACTION PLAN	COMMENTS
	P.O.3.3 Increased Equity/Fairness in Administration of Justice - Public Confidence in the Judicial System - Administration of Justice Reforms Introduced - AOJ Reforms Approved and Implemented	Last year 's P.O.3.3 deleted
STRATEGIC OBJECTIVE FOUR		
S.O.4 Increased Use of Environmentally-Sound Energy Sources - Amount of KW hours provided for poor in rural areas - Air pollution level in urban areas near power plants		
P.O.4.1 Environmental Component of the Sector Regulatory Framework in Place - Standard norms for energy regulation established - Number of firms complying with the standard norms - Distribution network privatized		
P.O.4.2 Innovative Renewable Energy Alternatives Developed and Disseminated in Rural Areas - Number of rural households using solar energy in project communities - Number of rural households using fuel-efficient stoves in project communities - Number of microenterprises established resulting from energy availability		
P.O.4.3 Improved Conservation in Critical Watersheds Contributing to Sustainable Energy - Area under sound soil management practices in project areas - Reforested area in project areas - Number of farmers participating in conservation activities in project areas		Protection of the watershed will reduce siltation into reservoirs used for hydroelectric power

ANNEX C

Monitoring and Evaluation Plan FY 1996 – 1997
Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 2.4: Increased Community Participation in Provision of Water and Sanitation	1. Access to Water and Sanitation Facilities	Percent of Targeted Population Accessing Potable Water & Sanitation Facilities	NGOs' Stat. Reports	GDO Files	Yearly	GDO
	2. Knowledge of Correct Use and Maintenance of Water and Sanitation Facilities	Percent of Community Residents Actively Participating in maintenance of the Facilities	Pre & Post Inter–vention Surveys	Survey	Yearly	GDO
Program Outcome 2.5: Broad–based Consensus on Selected Health Care Reforms	1. General Health Law Passes House & Senate	Policy Reforms in Key Areas	Media Coverage	GDO Newspaper Files	Day to Day	GDO

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USAID/Dominican Republic

Monitoring and Evaluation Plan FY 1996-- 1997

Strategic Objective No. 1 "Increased Economic Opportunities and Benefits for the Dominican Majority"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency In 1997	Responsibility
S.O. Indicator No. 1	Poverty Level	Percent of Population Under Poverty Line	Natl. Household Cons. & Income Expenditure Survey	Survey		PDI
S.O. Indicator No. 2	Unemployment/Underemployment Rates	Percent of Total Population	Economic Survey /\Embassy	Survey	Yearly	PDI
S.O. Indicator No. 3	School Desertion Rate	Percentage	Ministry of Education (MOE)	MOE Survey	Yearly	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 1 "Increased Economic Opportunities and Benefits for the Dominican Majority"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 1.1: Develop/Advocate Broad Consensus NGOs/Donor Organizations on Selected Policy Changes	1. Widespread National Debate on Government Social Sector Expenditures	Qualitative Assessment	Media Coverage	PDI/GDO Press Report Files	Day to Day	PDI/GDO
	2. Widespread national Debate on Micro/Small Business Trade Issues	Qualitative Assessment	Media Coverage	TIO Press Report Files	Day to Day	TIO
	3. Sustained Donor Consensus on Key Policy Issues	Qualitative Assessment	Donors Meetings	Mission Donors Report Files	Day to Day	PDO
Program Outcome 1.2: Integrate Disadvantaged Populations into Financial and Labor Markets	1. New Employment in Micro & Small Business Sector Receiving Loans from NGOs	Jobs Created (FTE/Cumul.)	NGOs Lending Records	TIO Report Files	Yearly	TIO
	2. NGOs Continue Providing Credit to Clients	($000)	NGOs Lending Records	TIO Report Files	Yearly	TIO
	3. Collective Bargaining Agreements	Number of Agreements Signed	AIFLD Records	TIO Report Files	Yearly	TIO
	4. Provide Legal Assistance to Enforce Labor Code	No. of Workers Helped by Legal Assistance	AIFLD Records	TIO Report Files	Yearly	TIO
Program Outcome 1.3: Improved Quality of Primary Education	1. Standardized Test Scores at the End of 4th Grade	Average Score	PIPE Statistics Reports	GDO Report Files	Yearly	GDO
	2. Grade Level Repetition Rate	Percentage	Ministry of Education (MOE)	GDO Report Files	Yearly	GDO

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Monitoring and Evaluation Plan FY 1996– 1997

Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
S.O. Indicator No. 1	Total Fertility rate	Number of Children Born Per Women Age 15–49	DHS	Survey	In 1996	GDO
S.O. Indicator No. 2	Infant Mortality Rate for these Selected Regions	Death per 1,000 live	DHS	Survey	In 1996	GDO
S.O. Indicator No. 3	High Risk Births	Percent of Infants Born During past 5 years having high risk characterist.	DHS	Survey	In 1996	GDO
S.O. Indicator No. 4a	Condom Use During the Most Recent Act of Sexual Intercourse	Percent of Adolescents/ Young Adults Using Condom During the Most Recent Intercourse	KAP Survey. Pre and Post Intervention.	Survey	In 1996	GDO
S.O. Indicator No. 4b	Condom Use During the Most Recent Act of Sexual Intercourse	Percent of Female CSWs Using Condom During the Most Recent Intercourse	KAP Survey. Pre and Post Intervention.	Survey	In 1996	GDO

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Monitoring and Evaluation Plan FY 1996– 1997

Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
S.O. Indicator No. 4c	Condom Use During the Most Recent Act of Sexual Intercourse	Percent of Industrial Workers Using Condom During the Most Recent Intercourse	KAP Survey. Pre and Post Intervention.	Survey	In 1996	GDO
S.O. Indicator No. 4d	Condom Use During the Most Recent Act of Sexual Intercourse	Percent of Hotel Workers Using Condom During the Most Recent Intercourse	KAP Survey. Pre and Post Intervention.	Survey	In 1996	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency In 1996	Responsibility
Program Outcome 2.1: Improve Access to and Quality of Reproductive Health Among Target Population	1. Contraceptive Prevalence Rate	Percent of Women Aged 15–49 Using a Contraceptive Method	DHS	Survey		GDO
	2. Couple Year Protection (CYP) Provided	CYP Disaggregated by Sex & Age	DHS	NGOs' Service Statistics/ Survey	Yearly	GDO
	3. Birth Interval	Percent of Births Occurring more than 24 months apart	DHS	Survey	Every Two Years	GDO
	4. Discontinuation Rates of Temporary Family Planning Methods	Percent Discontinuing at 12 months	DHS	Survey	Yearly	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 2.3: Reduce High Risk Behavior Related to HIV/AIDS/STD	1. Knowledge of Preventive Practices in High Risk Groups	Percent of Adolescent/Young Adults Reporting 2 Acceptable ways of Preventing HIV Infection	KAP Survey. Pre & Post Inter–vention	Survey	In 1996 & 1998	GDO
	1. Knowledge of Preventive Practices in High Risk Groups	Percent of Commercial Sex Workers Reporting 2 Acceptable ways of Preventing HIV Infection	KAP Survey. Pre & Post Inter–vention	Survey	In 1996, 1998 & 2000	GDO
	1. Knowledge of Preventive Practices in High Risk Groups	Percent of Industrial Workers Reporting 2 Acceptable ways of Preventing HIV Infection	KAP Survey. Pre & Post Inter–vention	Survey	In 1998 & 2000	GDO
	1. Knowledge of Preventive Practices in High Risk Groups	Percent of Hotel Workers Reporting 2 Acceptable ways of Preventing HIV Infection	KAP Survey. Pre & Post Inter–vention	Survey	In 1996, 1998 & 2000	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997
Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 2.4: Increased Community Participation in Provision of Water and Sanitation	1. Access to Water and Sanitation Facilities	Percent of Targeted Population Accessing Potable Water & Sanitation Facilities	NGOs' Stat. Reports	GDO Files	Yearly	GDO
	2. Knowledge of Correct Use and Maintenance of Water and Sanitation Facilities	Percent of Community Residents Actively Participating in maintenance of the Facilities	Pre & Post inter–vention Surveys	Survey	Yearly	GDO
Program Outcome 2.5: Broad–based Consensus on Selected Health Care Reforms	1. General Health Law Passes House & Senate	Policy Reforms in Key Areas	Media Coverage	GDO Newspaper Files	Day to Day	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997
Strategic Objective No. 2 "Increased Use of Effective Primary Health Care Services by Underserved Population"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
	2. Condom Availability for Target Population	Percent of Target Population Who can Adquire Condoms	KAP Survey. Pre & Post Intervention	Survey	In 1996, 1998 & 2000	GDO
	3. STD Case Management	Percent of Female CSWs who received appropr. advice on condom usage & partner notification during STD	Observer Visits & Exit Visits	Survey	In 1996, 1998 & 2000	GDO
	3. STD Case Management	Percent of Hotel Workers who received appropr. advice on condom usage & partner notification during STD clinic visit.	Observer Visits & Exit Visits	Survey	In 1996, 1998 & 2000	GDO
	3. STD Case Management	Percent of MWM who received appropr. advice on condom usage & partner notification during STD clinic visit.	Observer Visits & Exit Visits	Survey	In 1996, 1998 & 2000	GDO

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 3 "Increased Participation in Democratization"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
S.O. Indicator No. 1	Eligible Voters who Voted	Percent of Voters who Voted	DEMOS Survey/ JCE Reports & Gallup Omnibus Survey	JCE Reports & Surveys	After 1996 & 1998 Elections	PDI
S.O. Indicator No. 2	Eligible Voters Intending to Vote	Percent of Voters Intending to Vote	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 & 1998 Elections	PDI
S.O. Indicator No. 3	Citizens Involved in Lobbying for Democratic Reforms	Percent of Citizens Involved	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 Elections & in 1997	PDI
S.O. Indicator No. 4	Citizens Active in NGOs and/or Community Groups	Percent of Active Citizens	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 Elections & in 1997	PDI

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Monitoring and Evaluation Plan FY 1996– 1997

Strategic Objective No. 3 "Increased Participation in Democratization"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
S.O. Indicator No. 1	Eligible Voters who Voted	Percent of Voters who Voted	DEMOS Survey/ JCE Reports & Gallup Omnibus Survey	JCE Reports & Surveys	After 1996 & 1998 Elections	PDI
S.O. Indicator No. 2	Eligible Voters Intending to Vote	Percent of Voters Intending to Vote	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 & 1998 Elections	PDI
S.O. Indicator No. 3	Citizens Involved in Lobbying for Democratic Reforms	Percent of Citizens Involved	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 Elections & in 1997	PDI
S.O. Indicator No. 4	Citizens Active in NGOs and/or Community Groups	Percent of Active Citizens	DEMOS Survey/ Gallup Omnibus Survey	Surveys	Before 1996 Elections & in 1997	PDI

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 3 "Increased Participation In Democratization"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 3.1: Civil Society Engages the GODR & the Public in Promoting and Shaping Democratic Reforms	1. Draft Reform Regulations Introduced	Number of Draft Reform Bills	Congressional & Press Reports	PDI Press Report Files	Semi–Annually	PDI
	2. Public Hearings Held on Draft Reforms Legislation Introduced	Number of Public Hearings Held	Congressional & Press Reports	PDI Press Report Files	Semi–Annually	PDI
	3. Active, Broad–Based, NGOs/ Community Groups Network(s) Created for ROL, DR and GC&B Lobbying Purposes	See Comments #1	USAID Monitoring of DI & Civil Society Prjs. & Press Reports	PDI Press Report Files	Semi–Annually	PDI
	4. Public Engaged by NGOs/ Community Groups Network(s) ROL, DR and GC&B in Lobbying Efforts	See Comments #2	USAID Monitoring of DI & Civil Society Prjs. & Press Reports	PDI Press Report Files	Semi–Annually	PDI

Comments

1. Annual qualitative assessment of whether: 1) network(s) has coalesced; 2) is broad–based, including women groups; and 3) has undertaken some joint action in engaging GODR & public in lobbying efforts for ROL, DR, and GC&B.
2. Annual qualitative assessment of quantity and quality of input from the public in defining problems and developing solutions re ROL, DR and GC&B.

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 3 "Increased Participation in Democratization"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 3.2: Strong Public Pressure for Free and Fair Elections Exerted	1. Polls Monitored by Trained Citizens Placed by Citizens' Election	Percent of Polling Places Monitored	JCE Data & Citizens' Election Coalition Records	PDI JCE & Citizens' E.Coal. Report Files	Before 1996 Elections	PDI
	2. Active Municipal Citizens' Election Coalition Committees Monitoring the Lectoral Process	No. of Munic. Citizens' Election Coalition Committees	Citizens' Election Coalition Records	PDI JCE & Citizens' Election Coalition Report Files	Before 1996 Elections	PDI
	3. Breadth of Societal Support for the Citizens' Election Coalition	Number of Different Civil Society Sectors Represented	Citizens' Election Coalition Records	PDI JCE & Citizens' Election Coalition Report Files	Before 1996 Elections	PDI
	4. Citizens' Election Coalition Advocates Engaging Respected, Neutral, Trained Citizens to Man the Polls	See Comments	Citizens' Election Coalition Records, & Interviews on Mass Media	PDI Citizens' Election Coalition Report Files	Before 1996 Elections	PDI

Comments

1. Qualitative Review of Publicly Released by Citizens' Election Coalition, as well as of Coalition's direct communications with JCE on this subject.

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Monitoring and Evaluation Plan FY 1996- 1997

Strategic Objective No. 4 "Increased Use of Environmentally-Sound Energy Sources"

Performance Indicator	Indicator	Definition/ Data Set/ Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
S.O. Indicator No. 1	Amount of KW Hours Consumed by Poor in Rural Areas	KW Hours	Subproject Reports and Evaluations	Project Files	Semi-Annually	PDI
S.O. Indicator No. 2	Air Pollution Level in Urban Areas near Power Plants	Percent of Pollution Levels	Super-intendencia de Energia	Periodic Research	Annually	PDI

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Monitoring and Evaluation Plan FY 1996 – 1997

Strategic Objective No. 4 "Increased Use of Environmentally–Sound Energy Sources"

Performance Indicator	Indicator	Definition/Data Set/Unit of Measurement	Data Sources	Evaluation Method/ Approach	Frequency	Responsibility
Program Outcome 4.1: Environmental Component of the Sector Regulatory Framework in Place	1. Standards and Norms for Energy Regulation Established	Norms	Project Reports	PDI Files	Yearly	PDI
	2. Firms Complying with the Standards and Norms	Percent of All Firms	Project Reports	PDI Files	Yearly	PDI
Program Outcome 4.2: Innovative Renewable Energy Alternatives Developed and Disseminated in Rural Areas	1. Rural Households Using Solar Energy in Project Communities	Percent of Households	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI
	2. Rural Households Using Fuel–Efficient Stoves in Project Communities	Percent of Households	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI
	3. Number of New Micro–enterprises Established Resulting from Increased Energy Availability	Microenterprises	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI/TIO
Program Outcome 4.3: Improved Conservation in Critical Watersheds Contributing to Sustainable Energy Use	1. Area Under Sound Soil Management Practices in Project Areas	Hectares	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI
	2. Reforested Area in Project Areas	Hectares	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI
	3. Number of Farmers Participating in Conservation Activities in Project Areas	Farmers	Subproject Reports and Evaluations	Project Files	Semi–Annually	PDI

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