

PROJECT EVALUATION SUMMARY (PES) - PART I

1. PROJECT TITLE DOMINICAN DEVELOPMENT FOUNDATION			2. PROJECT NUMBER OPG-0124	3. MISSION/AID/W OFFICE USAID/DR 114
			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <input type="checkbox"/> REGULAR EVALUATION <input checked="" type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES		6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY <u>79</u>	B. Final Obligation Expected FY <u>82</u>	C. Final Input Delivery FY _____	A. Total \$ <u>256,000</u>	From (month/yr.) <u>Sept. 1979</u>
			B. U.S. \$ _____	To (month/yr.) <u>Aug. 1982</u>
Date of Evaluation Review _____				

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
External evaluation performed by independent firm, CENTRO DE ASESORIAS, EVALUACIONES Y ESTUDIOS	A. Valdez	No action to be taken

<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <p><input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T _____</p> <p><input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____</p> <p><input checked="" type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P _____</p>	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan</p> <p>C. <input checked="" type="checkbox"/> Discontinue Project</p>
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<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p>Clearances:</p> <p>ARDO: Kellis <u>[Signature]</u></p> <p>AGR: AValdez <u>[Signature]</u></p> <p>OPE: RVeith <u>[Signature]</u></p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signature <u>[Signature]</u></p> <p>Typed Name Philip R. Schwab</p> <p>Date _____</p>
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XD-AAN-992-A

CENTER FOR COUNSELING, EVALUATIONS AND STUDIES

EVALUATION REPORT OF THE RESULTS OF THE
TECHNICAL ASSISTANCE PROVIDED BY THE
TECHNICAL ASSISTANCE SERVICES OF THE
CARIBBEAN TO THE DOMINICAN DEVELOPMENT
FOUNDATIONS, INC.

July 1982
Santo Domingo, N. D.

11

TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION	1
2. ORIGINS OF THE PROJECT	3
3. DIMENSIONS OF THE ASSESSMENT	7
4. PERSONNEL	9
5. TIME, PERIODS AND AMENDMENTS	12
6. OBJECTIVES OF THE EVALUATION	13
7. WORK PROCESS	14
8. AREAS EVALUATED	15
9. GENERAL SEPARATION BY POSITIONS	18
10. ORGANIZATION AND FINANCIAL SITUATION	29
11. COLLECTION DIVISION	40
12. MANAGEMENT OF SOCIAL SERVICES AND FINANCE	43
13. ARTS AND CRAFTS PROGRAM	52
14. CONCLUSION AND RECOMMENDATIONS	56

111

I. INTRODUCTION

The Dominican Development Foundation, Inc. (DDF) approved the evaluation proposal submitted by the Center for Counseling, Evaluations and Studies (CASE) to review the evaluation results of the technical assistance provided by Technical Services of the Caribbean to the DDF, Inc.

The terms of reference elaborated by the Foundation and the contract signed by both parties was considered the authorization to initiate the evaluation work.

The CASE formed a self-disciplined group to perform the work, made up of two business administrators, one public administrator and two sociologists, all under the guidance and coordination of the Executive Director of the CASE.

The evaluation process in all phases was completed in a period of sixty days after the date of the contract. Some unforeseen factors prolonged the process 18 days more than that which was established for a period of 42 days for the delivery of the final report.

We can cite as a factor the conscientious effort of following rigorous procedures and of greater depths to obtain the best evaluation results.

All the work was made with the best technical-professional quality and by an unquestionable honesty on the part of the evaluating team.

At the same time we must mention the highest considerations and confidence deposited in the evaluating team by the Executive Director of the Foundation who at all times demonstrated the maximum cooperation and interest in the process followed by the evaluation. We would like to recognize the efforts and significant contributions made by the Foundation personnel who made possible our obtaining better information, giving their experiences, knowledge and extra hours beyond their regular work.

In like manner we express our appreciation to the team of advisors of Technical Services of the Caribbean who showed the greatest interest and cooperation to our evaluators, offering their experiences and judgments of the Foundation and of their advisory work.

Finally, we thank the Foundation for the confidence deposited in CASE, by contracting our professional services to evaluate such an important project.

We hope the results of this evaluation which we are formally submitting to the Foundation serves the proposed ends and compile the experiences of the institution in the different levels of execution of the recommendations made by Technical Services of the Caribbean.

2. ORIGINS OF THE PROJECT

On March 1978 the DDF presented a request for financing in the amount of RD\$10.0 millions to the Agency for International Development, AID/US/DR for the strengthening and broadening of its program of human development and financing directed to agricultural associations.

In relation to this request, AID had doubts about the future of the DDF in view of the rapid expansion of its operations. To that effect these four questions were presented:

A. Increase in the capitalization and mobilization of local and international resources, and the self-maintaining of financial viability.

B. Institutional management ability for the expansion suggested by the application of the requested resources which made possible the Institutional Building.

C. DDF capacity to develop and supervise additional groups in the proportion that the request proposed.

D. Adequate demand for the funds provided.

At first it was recommended that no more than RD\$5.0 million be considered in relation to the original request of RD\$10.0 millions, estimating that this was a level of planning appropriate for the DDF, with the provision that if it was justified, additional resources could be made available.

This questioning and analysis induced AID to contract specialists to study with greater depth the implications, goals and impact of the proposal formulated, not only for DDF itself,

but for the target groups and the national community. Jointly with other specialists who were making documentary studies, using as a base the proposed request already presented, Mr. William Roach was contracted in mid 1978 to do a financial analysis of the DDF. Mr. Roach was preferred mainly because of his familiarity with the Dominican Development Foundation via the study made to the loan project presented to AID by "SOLIDARIOS," in his position as AID Financial Analyst.

Accordingly, the "Roach Report" was prepared which together with prior observations about DDF and their request, induced AID and the DDF to contract the firm Technical Services of the Caribbean with the proposal to help strengthening its institutional capacity, financial viability and efficiency in the management of financial operations related to the DDF.

In this manner, AID Agreement 517-0124 was signed on September 28, 1979, between the Government of the Dominican Republic represented by the Secretary of State for Finance and the representative of the AID/US/DR Mission and the President of the DDF.

On January 31, 1980, the company Technical Services of the Caribbean signed a contract with the Dominican Development Foundation to provide technical assistance oriented to strengthen the institutional capacity and the financial viability of the Foundation to achieve a greater efficiency in the extension of production and marketing credits to small farmers.

In April of 1979 the company Technical Services of the Caribbean designated the specialists Ing. Pedro Negrón Ramos for a period of 11 days and Lic. Leocadio Soto Rivera for 17 days. These specialists made a study on the "Organization of the EDF, Model for the Development of Loan Programs, Administrative Structures, Human Resources and Budget, and Operations Results." As a result of their findings, a proposal was prepared for the "External Technical Assistance Required by the DDF," indicating the following areas and time required for each one.

Area	Time Required
A. Agricultural Credit	1 year prolongable to two.
B. Programming and Economic Financial Control	6 months in various stages
C. Craftmanship Plan	3 months
D. Development Model	3 months

The basic functions that the Technical Services of the Caribbean should perform as they were stated in the referenced contract are the following:

1) Collaborate in the "structuralization" of the new Financing Division, including the formulation and adoption of systems and procedures of easy credits and effective analysis of requests, control of disbursements and collections. Collaborate in the plans of service training of the personnel related with credit operations at all levels.

2) Collaborate in the design of a system of financial and economic programming for the Foundation that would permit a control of short and medium range needs and to know beforehand

the policies and decisions that should be taken for a good administration of the institution.

3) Evaluate the Craftmanship Plan and make recommendations.

4) Evaluate the development model of the Foundation consisting of the promotion and organization of associations of small farmers and the groups that make up these associations and make recommendations.

3. Dimensions of the Assessment

The assessment of Technical Services of the Caribbean covered almost completely the DDF in relation to management administration, finance and all of the components that intervened in their distinct operational lines. Thus, it was stated in the purpose of the contract which is quoted.

"To restructure the organization of the DDF and make adjustments in its practices and operational procedures, mainly those related to the loan activities for groups of small farmers. In support of this objective, AID will provide the needed general and technical assistance."

The assessment covered all of the areas that fall in the programs of promotion and rural financing and in that which touches the development of the agricultural and arts, its complete interaction is presented in the following manner:

3.1 Economic and Financial Programming Control. This covered the Financial-Administrative Management through its Financial Programming and Resources Development Divisions; and the Controller's Office through its Collections, Calculations and Cashier and Payments Divisions.

3.2 Agricultural Loans and Rural Organization. This covered the Social Services and Financial Management through its three most important divisions. Financing and Administration, Technical Assistance and Commercialization, Training and Evaluation.

3.3 Craftmanship Plan. This is oriented via management at all areas of the programs, basically in regards to services, production and marketing.

4. PERSONNEL

The human element was made up of eight professionals, all with proven academic qualifications and wide experience in their respective fields of work. This was verified in the documentation studied as a result of the evaluation and the views of the officials and employees of DDF which were always praising and recognizing the capacity, judgment and sensibility of the experts of the Technical Services of the Caribbean.

The specialists who participated in all aspects of the assessment were previously cleared and approved by the DDF authorities and subject to the final confirmation by AID/DR. Technical Services recruited and submitted their respective Curriculum Vitae to the consideration of DDF. This procedure was required under the terms of the contract.

The specialists team was integrated by the following professionals:

1. Ing. Agron. Luis Rivera Santos
Former Secretary of Agriculture, Puerto Rico.
2. Ing. Agron. Pedro Negrón Ramos
Organization and Administration
Former Secretary of State for Natural Resources -
Puerto Rico.
3. Lic. Leocadio Soto Rivera
Rural Credit
Advisor to National Development Bank
Agricultural Sector, Panama.

4. Ing. Agron. Ezequiel Mateo
Rural Credit
Supervisor Agricultural Services Region of Puerto Rico
Advisor, Agricultural Bank of the Dominican Republic
5. Ing. Agron. Pedro J. Tirado Lameiro
Agricultural Comercialization
Special Assistant to the Governor and Marketing Director
of the Supermarket TUYO of Puerto Rico.
6. Lic. Guido Picón
Financial Administration
Former President Mercantile Bank and Workers Bank of
Puerto Rico.
7. Lic. Rubber Díaz Fraguada
Financial Administration
Controller Agricultural Credit Corporation Puerto Rico
8. Ing. Agron. Antonio González Chapel
Organization and Rural Administration
Former Secretary of Agriculture of Puerto Rico.
9. Lic. Aníbal Rodríguez Vera
Craftsmanship Plan
Director Popular Arts Incentive Program, Puerto Rico

Dr. Don Luis Rivera Santos directed and oriented the training program of the DDF and Mr. Leocadio Soto Rivera filled the position of Local Coordinator of the project in his capacity as resident advisor.

At all moments and in all respects there was a coordination/integration between the advisors and the personnel of the DDF, and to this situation it is attributed a great amount of success.

As to personnel functions the original contract contemplated:

1) One Resident Advisor for two years and another for one year with experiences in administration and agricultural credit operations.

2) Short range technical assistance in: Financial Administration, Organization of Institutional Credit, and Arts operations and Marketing.

It was hoped that there would be a considerable amount of training by the personnel of Technical Assistance and other professionals of the country without additional cost to the project.

In the original plan it was detailed that the personnel who would make up the human element of the project would be in the following proportions:

- a) Two advisors in Rural Credit
- b) Two Financial Advisors
- c) One Arts Advisor
- d) One Organization Advisor

5. TIME, PERIODS AND AMENDMENTS

The technical assistance program of Technical Services of the Caribbean to the DDF originated via agreement AID 517-0124 signed between the GCDR, Agency for International Development (AID) and the Dominican Development Foundation (DDF) on September 28, 1979. This agreement developed as follows:

<u>Date</u>	<u>Concept</u>	<u>Amount RD\$</u>
11/28/79	First Agreement	135,000.00
05/29/80	First Amendment, Amplification of Original Contract	133,000.00
09/12/81	Second Amendment, Amplification and Purchase of Equipment	268,000.00

In virtue of agreement AID 517-0124, the DDF sub-contracted the company Technical Services of the Caribbean. This agreement comprised a period of twenty seven months in three successive periods starting on January 31, 1980 through April 30, 1982. For each period there were established the respective agreements between DDF and Technical Services of the Caribbean with the approval of AID; these agreements were as follows:

<u>Date</u>	<u>Concept</u>	<u>Duration</u>	<u>Value RD\$</u>
01/31/80	First Agreement	12 months	106,558.00
03/30/81	First Amendment Contract Extension	12 months	109,117.00
20/04/82	Amplification of Contract	3 months	16,599.00

- 6.1 Determination of the Intermediate and Final Goals (Products That Were Attempted)
- 6.2 Analysis of the Fulfillment of the Program as it was Designed
 - 2.2.1 Determination of variations and factors which caused them.
 - 2.2.2 Evaluation (study) of the internal and external atmosphere of the institution to that end.
- 6.3 Synthesis of the real products, of the program, their characteristics and methods.
 - 2.3.1 Nature and Quantity
 - 2.3.2 Acceptance and Implementation
 - 2.3.3 Operational Levels
- 6.4 Immediate Results (intermediate objectives) on the planning, administration, and evaluation of the operations.
 - 6.4.1 Positive or negative results in the institutional capacity
 - 6.4.2 Financial Viability
 - 6.4.3 Study (Probe) on the effects of the Production Credits and the associated markets.

7. WORK PROCESS

To perform the evaluation the following process was developed:

- 7.1 Collection and organization of the documental material.
- 7.2 Read, Review, Determine and Detail of the variables and indicators of the hypothetical designs.
- 7.3 Structural interviews, test of control information and discussions with specialists.
- 7.4 Analysis, Study of Systems and processes, Discussion with specialists.
- 7.5 Resumes, Conclusions and Recommendations
- 7.6 Preparation of Final Document

8. Areas Evaluated

8.1 General Aspects

- 8.1.1 Measure the direct and indirect effects of the recommendations and the application of the training of Technical Assistance Services of the Caribbean.
- 8.1.2 Verification of the General Structure of the DDF and joining of the functions of the program of human promotion and financing.
- 8.1.3 Measure the impact of the program in totality in institutional terms.
- 8.1.4 Verify any extra institutional effect attributable to this training.

8.2 Controllers Office

- 8.2.1 Prove the application, amendments, modifications or rejection of the recommendation in terms of:
 - a. The structure and its reorganization
 - b. General operating lines
 - c. Financial - economic lines
 - d. Definition of the collection policy
 - e. Constitution of the Financial Management
- 8.2.2 Verification of the application of these recommendations to the operational level especially in the Divisions of:
 - a. Collecting
 - b. Accounting
 - c. Computer Center
 - d. Auditing

- 8.2.3 Measure the relation of Controllers with the Division of Economic and Financial Programming and their relation with the Financial Division.
 - 8.2.4 Measure the incidence and effectiveness of the auditing of the good management of the agricultural associations.
 - 8.2.5 Verify the observation of the Manual of Procedures and collection controls.
 - 8.2.6 Analyze the general aspects of the change derived from the recommendations of Technical Services of the Caribbean.
- 8.3 Management of Social Services and Finance
- 8.3.1 Verify the recommendations and application in the Divisions of:
 - a. Finance and Administration
 - b. Technical Assistance and Marketing
 - c. Promotion, Training and Evaluation
 - 8.3.2 Analyze the relation between the three Divisions in relation with the services to the groups.
 - 8.3.3 Measure the operational level of the zonal loan committees.
 - 8.3.4 Study the documentation in terms of norms and regulations, resulting from the training in relation to the three Divisions indicated in Chapter 1 and measure these applications and effectiveness.
 - 8.3.5 Review the material given as educational documents and prove their acceptance and assimilation at the level of field personnel of the DDF.
 - 8.3.6 Measures at the level of the group and associations,

their comprehension, acceptance, practice and effectiveness in terms of norms and regulations for the management of the loan program.

8.4 Arts and Crafts Program

8.4.1 Measure to the effects of the two advisers lent to this program in 80 and 81. Consider the recommendations made during the two visits of advisor Aníbal Rodríguez Veras.

8.4.2 Measure the impact of the arts and crafts fair in relation to the groups of artists assisted by the program and the arts and crafts at a national level.

8.4.3 Verify the compliance with the recommendations and the effects of these measures.

9. General Separation by Positions

9.1 Structures and Functions of the DDF

In the total structure of the Dominican Development Foundation and as a result of the assistance provided by Technical Services of the Caribbean, we focused on the Managerial Offices and Divisions where greater incidence was verified as a result of the Agreement No. 517-0124. The main efforts were towards the office of Management of Social and Financial Services, followed by the Controller's Office.

Given the correct definition of the DDF, both Management and its Divisions have the same basic objective. In a document named, "Objectives of the Rural Development of the DDF" part of a study made for DDF, there's a part which says, "The Development Model of the DDF is an implied model. There does not exist a formal or conceptual presentation in the documents of the institution, and therefore, its identification and explanation should be intensely executed by inferred means, based on instruments utilized and the fixed objectives."

Further on, the document continues, "It appears evident that perhaps the implied model of rural development of the DDF contains an ambiguity component, which on one hand allows it to operate in the context of the current situation, but on the other, reduces its own functioning possibilities."

It is worthy to mention the meanings which to fulfill this necessity, the assistance provided by the Technical Services of the Caribbean has had. The emphasis which according to

interviews and analysis of documents made, was not placed on theoretical or philosophical aspects, but on the widening of the ranks of the mechanisms and instruments utilized but on surpassing the contradictions and ambiguities.

The reinforcement with worthy methods on loans, accounting, group evaluations, etc., has been important.

Of this aspect of the assistance, one can infer an institutional reinforcement which facilitates the interaction between the different organisms within DDF not only horizontally but vertically as well.

The assessment has left a variety of documents on which the internal formation of personnel and its own producers, can be developed in the immediate future, especially in the managerial and financial aspects.

Although some program's targets on this area were not reached; others were exceeded.

The method used by the assessors has been considered as very positive by the generality of the personnel consulted. It facilitated the adequate transfer of the recommendations of the Technical Services of the Caribbean. We have found a good level of understanding and acceptance, even though the application and verification of results process still continue.

Last, the functioning of the farmers's associations where DDF works has been important. These groups of widespread objectives, of presidential structure and with internal control problems, has tended to define more precise objectives, to create functional committees for this end, and to establish work procedures. As we will further see, the contributions of the

Technical Services of the Caribbean to the definition and establishment of the Credit Committees, Marketing, and others, has been consistent. A specific aspect of great projection, is the one which refers to the sub-loans on an association level.

The DDF's traditional participation method has served as a standard to incorporate the farmers' own opinions, thus facilitating the acceptance of the recommendations made by the Technical Services of the Caribbean. Thus, the rules and procedures suggested have become the associations conscious rules.

The evaluators have confirmed that this process is unequal according to regions and coordinators, as well as to the groups' experience and the nature of the activities. However, it is still early to judge that this is due to the DDF's own limitations or to the different characteristics context. It is hoped that with the implementation of the set of recommendations, these differences would be minimized.

9.2 Detail of the Most Relevant Aspects

In this section we would like to present the assistance aspects which have a greater projection in the area which we comment on:

- 9.2.1 Recommendations on the Financial Division. The majority of the recommendations in this area were directed to make efficient all DDF work process from diagnostic and group recognition to the control and credits recuperation. These recommendations were introduced since the first year of the assistance and

are stated in the 1981 General Report for the period 1980-1981.

9.2.1.1 Manual for Group Approval and Complementary Documents

The DDF had one document which was modified and substantially improved by Technical Services of the Caribbean. This applies to the end of the year 1980, and by January 20, 1981, the first report on its application is produced. In its generality, the technicians and officers understand it and are using it. Its use is facilitated by forms, guidance and procedures made or reformulated by Technical Services of the Caribbean and which had been previously adapted and or corrected, based on their trial results. Its utility is clear, but it still appears it can have a greater analytical and follow-up use.

9.2.1.2 Steps to be Followed on the Project Preparation

This document is complemented by Others. For example, the one entitled, "Elements to be Considered on the Preparation of an Agricultural Project."

Prior to technical assistance by the Technical Services of the Caribbean, there existed in DDF certain steps formulated in a general way, with heterogeneous and individual application by the personnel. The assistance gave it coherence and detailed and systematized these steps. It was able to homogenize the procedure making its use

consistent through DDF. These steps have been established for new groups or groups established with the Foundation.

The Credit Committees with the assistance of the coordinators, validate part of the process. Request for credit forms, and regulations yet to be established on a committee level are complemented by the social and economic evaluation.

Work in the area of associations' statutes. Definition of objectives and planning of activities has improved but it needs to widen its range.

Presently, the sub-loan process is being tried to be implemented by designing a contract form between the association and the member. The assistance did not complete this aspect. It oriented on legal problems suggesting the requirement by members of documents which backup the use of the land when is leased or sharecropped (guarantee-pledge).

The DDF must complete some aspects of the steps not covered by the assistance (see Nos. 2a, 2c, 3a, 4c, 4e, and 6b of Page 23 and on of the first report - January 1981).

The employee's capacity in handling the steps was one of the greater results of Technical Services of the Caribbean. This has enabled greater control in the follow-up and management of the projects, has improved the groups' confidence, since the documents are not retained and disbursements are

being made faster. The step determination has contributed to better handling of the amount of time spent in the processing of each document. On the other hand, the central officers, the coordinators and technicians affirm that since some four to five months ago, a form for visits to the project follow-up groups is being used which broadens the efficient utilization of time. This form was designed by Technical Services of the Caribbean and had been previously tested. On the other hand, this has contributed to have a clearer notion of the distribution and nature of each responsibility and who is responsible for. Currently, the groups handle two kinds of forms. One, a project financial control and the other, members' financial control. This highlights the promoters as well as the groups' conscious participation.

9.2.1.3 General Orientation

Another package of suggestions by Technical Services of the Caribbean has to do in a general way with the credit orientation and groups' policies.

With respect to the first one, the Office of Management of Financial and Social Matters has received a set of works which even on a long-term basis would serve as orientation and enable them to use it strategically in the different lines of

credit. Two great achievements recognized both by technicians and officers are: the endowment of a clear organizational chart which defines the positions and personnel interrelations. Together with this, an institutionalized formal procedure in the credit area which establishes the commitments and relations between DDF and the associations. The increases in credit formulation and recuperation index show this. In the group policies or the focus on the development of the associations, Technical Services of the Caribbean worked with five or six (5 or 6) criterion of unequal concriptions.

- a) One of these criterion was the self-management. The functional committees such as credit, marketing, etc., widened their groups' participation range within each group. It depends, of course, on the best internal democratic mechanisms.
- b) Another criterion was self-diagnostic. DDF had had certain experience in this area. Now, two mechanisms are being implemented: 1) Impact Evaluation Methods; 2) Groups's Evaluation Systems. On the latter, we reviewed several documents, for example, "Critic-Design Memoir on Participative Evaluation." The mechanisms need still to be blended.

- c) Strengthening. The consultants helped design some outlines which have not yet been generalized.
- d) Reproductive Character: Emphasis was placed on outlining the elements to be considered:
 - 1) Income, yield; training of field personnel; others.
- e) Administrative Feasibility. DDF had had an Assistance on Management and Administration Program (PAGA). Implementation on this is not clear.
- f) It was intended to classify the associations and define controls and services by class and category. This was not achieved, except what is deduced from the forms and manuals already mentioned. Currently, it is planned to classify based on the diagnostic, for which there is the form EPA I, which will be used in the evaluation and program activities with the groups. With respect to project formulations by the associations, this is yet in its initial stage. Presently, DDF is trying to obtain a greater participation and it has institutionalized so that requests be made with the associations. This is being done throughout the country except in San Juan de la Maguana.

9.3 Recommendations from the Agricultural Credit Advisor

The recommendations of this advisor have been taken into consideration and are part of what we so far have informed; however, it is worthy to mention our agreement with his plans of adoptions of current achievements since they are directly incidental to this part of the evaluation. Of the set of specific functions which are more directly related to, taken from the second information document from Technical Services of the Caribbean (February 1981 - January 1982) are the following:

Page 3 and following: letters c, d, e, g, that were successfully fulfilled. No. i which was fulfilled with the Person in Charge of the Promotion and Qualification Division and k which was poorly fulfilled.

The DDF named a commission to revise and evaluate the consultants' recommendations; it is estimated that following-up and operational status of same, should be redefined and its responsibility assumed.

With respect to the recommendations on supervision and loan administration, measures to improve the operational and financial status are applied in the recommendations found on page 14 and on, 1 to 4, inclusive.

9.4 Micro Enterprise Program

As stated by Technical Services of the Caribbean, and since this is a program framed in the purposes and social philosophy of DDF, and being this is a new program and wide range of possibilities offered to new potential clientele, which could benefit from the same, it has had

the expected growth; to the point that DDF has accepted the recommendation to raise this program to Management category starting July 1, 1982.

Our recommendation to this respect is that evaluations be made not only on the economical but social side as well, as soon as possible so that corrective measures can be taken, if necessary.

9.5 Functional Organization

Technical Services of the Caribbean presents a report on some Administrative Management and Functional Aspects of DDF. One of the themes included in this report refers to the Functional Organization in which an analysis on the actual structure of DDF is made and recommends that as the institution develops and takes on new jobs, these should be added on to the functional departments.

As an advantage to the previously mentioned, one can highlight the easiness in activities coordination and in addition, it allows a major economy in work performance. Further, it is recommended that the titles of Managers be changed to Assistant Directors and their respective units be converted into Departments, keeping their own functions.

In our opinion, DDF should design a commission to perform an exhaustion analysis to determine the implications which may arise in a structural change and position nominations.

Other items refer to the establishment of a salary scale and the establishment of a clear and defined personnel policy.

Arguing in the sense that this measure would give security to the personnel because it would establish the mechanism for salary increases, eliminating unhappy employees leaving the institution because of lack of incentives and in relating to the personnel increasing the stability and leading to their progress without the institution.

The recommendations given by Technical Services of the Caribbean should be taken into account for their immediate application as far as the institution has the capacity to do so.

10. Organization and Financial Situation

Technical Services of the Caribbean presented the examination of some of the program aspects of the organization and financial situation of the Foundation in which they reviewed the evaluations of the recommendations made by them and the action of the DDF in their respect.

In that respect, to produce our opinions on the subject we studied the internal and external factors that interceded between the recommendations and their application.

10.1 Systems and Procedures Unit

As Technical Services of the Caribbean affirmed, the goal of this working unit should be to prepare a manual of Operational Procedures covering all programs and activities of the DDF (Accounting, Collections, Personnel, Purchasing, etc.) and to maintain it up to date to the dynamic requirements of the institution.

we agree with the criteria that the creation of this unit is fundamental and complementary to the planning or programming of all activities of the DDF as we have emphasized before hand; even though in our observation we could note that in part these functions are complied with, the same are not carried out in a centralized form which could originate in certain circumstances opposing decisions.

10.2 Internal Audit Department

Technical Services of the Caribbean made the recommendation that this Dept. or unit should respond to the Executive Dept. instead of directly to the Controller's as it now does.

The Controller is the highest expression in the context of accounting and as such should not be ignored in one of the areas in which it functions such as accounting. Also, if we observe the objectives of internal audit, we will see that they may be summed up as the establishment of procedures and internal controls which assure rationality of the financial Statements but do not include advising the Executive Department as they are a part of it, while, however, the Controller's represents among other things the economic-financial advice in terms of assuring the confidence in the system and the adequacy to the accounting books.

It is important to point out that in the actuality the entire process is evaluated by the external audit which the DDF has done periodically by recognized audit Forms. On the other hand, we reaffirm the recommendation of Technical Services of the Caribbean as the preparation of a plan of Operational Audits which would be identified with the lines of the Foundation and we also recommend that the measure as far as possible reduce the limits at the field level with which internal audit operates.

10.3 Financial Manager

We are in close agreement with the recommendations of

Technical Services of the Caribbean as far as the creation of this position as long as the Foundation accepts each and all of the implications that go with its functioning. All of the programs recommended and implemented by Technical Services of the Caribbean in actuality are being carried out in their totality.

We would only like to make the greatest emphasis that they continue giving the greatest attention to the flow of loan funds as this represents the strategic tool to safeguard the solvency of the DDF and to maintain adequate funds which permit it to meet its costs and to work in the market thus avoiding idle funds and the necessity of loans under damaging conditions because of problems of impression.

Last, we agree that it is well defined and correct who should respond directly to this manager.

10.4 Loan Committee

Before the proposed alternative of Technical Services of the Caribbean for the restructuring of the Loan Committee, the Executive Board of the DDF in its meeting of May 23, 1982, ratified that the loan which the Foundation gives to the beneficiaries of its programs should be reviewed and approved by one of the following committees in agreement with the amount and time requested.

10.4.1 Main or Major Committee

10.4.1.1 Members

- a) Two members of the Executive Board elected by the Board itself.
- b) The Executive Director

10.4.1.2 Amounts

- a) Loans greater than \$50,000.00
- b) Loans greater than \$25,000.00 with return payments exceeding 24 months.

10.4.2 Regular Committee

10.4.2.1 Members

- a) Assistant Executive Director
- b) Financial-Administrative Manager
- c) Controller

10.4.2.2 Amounts

- a) Short term loans (up to 24 months) between \$2,500.00 and \$49,000.00
- b) Long term loans (greater than 24 months) up to \$24,999.00

Other functions of the Regular Committee will be to review the requests for approval of new groups that are submitted to that effect by the Management of Social Services and Finance.

10.4.3 Minor Committee

Members

- a) Controller
- b) Manager of the Economic Programming and Finance Division
- c) Manager of Finance and Training Division

10.4.3.2 Amount

a) Loans up to ₡2,499.00

Obviously, this new structure is more functional because in addition to giving greater dynamization in the case of the small loans, it offers a greater guarantee of institutional responsibility of the Board of Directors and the Executive Director of the Foundation in those loans of larger amounts which are those which represent the greatest risk for the institution.

10.5 Loans Should Not Be Given For More than 5 Years

We reaffirm the recommendation of Technical Services of the Caribbean, because of the reason that these loans have a real and effective effect on the liquidation or availability of resources which could well be utilized in this same length of time (more than five (5) years) for more than one association or group.

The Foundation is getting less involved in this type of loans under this condition but as the Directors of the Foundation have well explained, because of the character of the institution itself and the type of clientele that it serves, it is impossible to apply without flexibility this recommendation.

In this sense, the DDF is carrying out a program that in a large way will reduce the risks of a liquidity shortage.

10.6 LOANS OF MORE THAN ONE YEAR, IN THEIR TOTALITY, WILL NOT BE MORE THAN 10% OF THE AVAILABILITY

The Foundation is reluctant to agree to this recommendation because it is now identified with the realization of projects that conform with a social and economic function of an association or group, fortifying in that manner the objectives of the institution.

10.7 One of the Basis for Granting a Loan Should be the Production of Previous Years

In reality, this recommendation is complied with faithfully. It of great importance the acceptance on the part of the Foundation of this recommendation as this serves as a statistical indicator of the productive capacity of the applicant and his capacity to pay, which assures a greater probability of repayment of the loan.

10.8 Loan Requests with 30 Days Anticipation

The continuing efforts made by the Foundation in the sense that all requests for loans be submitted with 30 days anticipation to the committee which will evaluate them, has resulted in the achievement of this proposal, because in a definite manner all loan requests which do not meet this requirement will not be reviewed by the evaluation committee.

Obviously, the action taken by the DDF as far as this recommendation has contributed to a better analysis of the request.

10.9 Credits of more Than One Year Will Not Be Given to New Associations

The objective of the DDF is to assist development of the community, which implies that to agree with this recommendation in its totality represents the taking away of the theology of this institution. They will conserve the criteria of maintaining to a reasonable minimum the quantity of loans to this type of association.

In our opinion, the conceding of loans to new associations should imply a procedure more strict than that which is applied to associations whose history is already known to assure the realization of the objectives of the DDF and at the same time the repayment of the loan.

10.10 No Credits Will Be Given to Associations that Have Not Repaid their Loans of the Last Two Years Unless it is Approved by the Board of Directors

It remains in effect the credit policy of the Foundation, the criteria that unless there are justifiable reasons, no credits will be approved to this type of associations, unless they can establish those justifications which have as their base the goal of the rehabilitation of the association or group and the repayment of the previous debt. In actuality these loans are approved by the Regular Committee.

It is our recommendation that these requests for credit by associations that have not paid their loans of the last two years, apart from from the exhaustive analysis that they receive, should be reviewed by the next higher committee which approved the original loan with the exception of those cases which originated in the Major Committee which will review these cases itself.

Fundamentally the criteria is that these loans represent a greater risk for the institution and therefore we understand that they correspond to a higher level of decision.

10.11 Supervision of Coordinators

Actually, the credits which are charged to loans are supervised by the coordinators and there has been achieved a close coordination between these, the collectors and the field officials: the last together with the coordinators are performing a follow-up of the project given the credit in terms of verifying the land conditions to be seeded, the fruits planted and the progress of the harvest.

From this point of view there has been established an indirect responsibility on the coordinators and the field officials in the viability of the loan repayment.

10.12 Loans Will Only Be Given to Associations Whose Members are Owners of 70% of the Land

The factor of being the owner of at least 70% of the land continues to be one of the important elements in the granting of a loan. To achieve this objective, the DDF has excluded from loans those who are working through the Dominican Agrarian Institute with the objective of obtaining land title for these groups or associations. In this final aspect even though the results have not been all positive for the implications which carry with them such actions. In some cases some groups or associations have received permission from said Institute to work determined tracts of land.

On the other hand, the same nature of the objectives of the DDF permits that special considerations are taken into account to permit flexibility to such a degree in relation to these groups or associations.

10.13 The Number of Members of an Association is Limited to 25

In general it is considered that the number of members is not a factor that determines in a definite manner if a group or association can respond to its proposed principles for which it was created in the social as well as the economic aspect.

10.14 Labor is Not to be Covered by Loans

In the loans granted it is the DDF practice to exclude wherever possible the cost of labor considering only the consumables, thereby providing incentive for a greater participation of the members of the association or group in the progress of the work

of the project itself.

we are very much in agreement with this disposition because it is a manner to reduce the amount of a determined project and develop the principle of self-help which is very important to the community in the social aspect.

10.15 Limits on Loans in Relation to Amount and Duration
per project

In the current rules on loans of the DDF it is established that "The maximum amount that the Foundation can give in a loan to a group or association will not exceed the sum of \$100,000.00 and the total debt of an association or group will not exceed \$130,000.00."

In those cases of new associations and/or those without working experience with the DDF the value of the first loan will not exceed the sum of \$25,000.00."

The following terms and conditions are furthermore established:

10.15.1 Up to 90% of the value of the property in the cases of loans for the acquisition or construction of buildings. Maximum time - 20 years.

10.15.2 Up to 80% of the value of the investment in loans for improvement to building projects, purchase of live stock, machines, equipment or other furniture. The maximum time for these loans is determined by the useful live and/or production capacity of the items financed.

10.15.3 up to 80% of the amount of the investment in projects of agricultural production. Maximum time allowed depends on the reproductive circle of the item which is financed.

10.15.4 Up to 85% of the value of the products to be marketed, maximum time 1 year.

10.15.5 up to 100% of the loan for those items which are to be purchased, products and materials, necessary for the production and consumption and the services. Maximum time - 5 years.

10.15.6 Up to 90% of the requirements in loans for working capital Maximum time 5 years.

Even though these regulations by nature demand implicit cautiousness, especially in loans of larger amounts and time in evaluating the guarantees, the moral solvency of the requesting association or group and the possibilities of success of the project, we also understand that it provides to the Foundation a greater coverage for the obtaining of its objectives, leaving it only limited by its own availability of funds.

Also, with this regulation there is established a solid base in reference to terms and conditions which can support in the future a growth in the social and economic aspect.

15.15 Infrastructure Loans

The DDF is giving faithful compliance to this recommendation which we consider very important.

10.17 Loans with One or More Payments Past Due

As confirmed by Technical Services of the Caribbean to the Foundation did not accept the recommendation that all loans that have a payment past due be considered forfeited in their totality and be sent to collection.

The reasons expressed by the DDF in this case are that a loan could have a payment past due for a justified reason and besides, it would increase adversely the delinquency rate on past due rate in the collections.

11. Collection Division

The assessment in this division was directed basically at defining and establishing principles, norms and operating procedures that would make more effective the repayment of the loans given by the DDF to the agricultural associations.

The assessment given by Technical Services of the Caribbean in relation to the DDF's collection policy was highly objective and precise. Its action and results are gathered in a document proposed to that effect, well written and complete to the proposed objectives. The general work in this area resides in the "Manual of Procedures and Controls of Loan Collections" covering the basic aspects of a collection, adequate, clean and effective.

This manual consists of eight cycles starting with the reports of prior payment histories of each client up to the possibility of reprogramming the debt in case of not meeting the repayment of the debt. In each cycle it gives the instruction necessary and the appropriate observations.

It suggests and specifies in the 8 cycles four actions to effect payment of the loans as follows:

- A. Voluntary turnover of jewelry or real estate which constituted the loan guarantee.
- B. Setting of a payment date by the debtor.
- C. Payment Plans.
- D. Execution

In addition to the manual there is a group of 17 forms with the corresponding instructions to fill each one. In a separate format it presents the instruction to fill out the "Report of Collection Attempts."

In the total of these 17 forms, we found an almost total compliance. We did not find evidence that the Report of Collection attempts on the Request for Postponement or Reprogramming are being complied with. These two forms are considered important control instruments. It is suggested that they be applied in all cases.

In general terms there should be established a line of effective communication with the field personnel dedicated to the activities of promotion and financing and establish as tight a coordination as possible, in order to arrive at the greatest effectiveness between the granting of loans and their repayment.

11.1 Means That Should Be Applied in Collection

a. Define the greatest clearness and comprehension possible, the responsibility of the Collectors, where the responsibility of the coordinators end, and the meeting point of the two.

b. Systemize the handling of the statements of accounts at the association level, responding easily to the amendments and adjustments that must be made in each case.

c. The listing of the past due loans should be explained to the collectors and its regular and periodic transmission to all regions.

d. Take decisive and constant measures upon receipt of the Collection attempts reports.

e. Improve the sending and handling of the requests for postponements of payments especially in properly filling out the required documentation.

f. The Manual of Procedures and Collection Controls of Loans should be given to the Collectors as well as to the field coordinators and submitted to their consideration in the interest of obtaining their complete comprehension toward an effective application of its rules. This procedure should be repeated with a certain regularity.

g. Coordinate with the Finance and Administrative Division the execution of field work with the proposal of unifying efforts and actions in the collection activities.

12. Management of Social Services and Finance

The division of Social Services and Finance is completing a general manual that collects the majority of the recommendations of Technical Services of the Caribbean. This includes more specific manuals, work forms, evaluation schemes and analysis and criteria for various decisions that are taken in the course of work.

The systems of information gathering and filing reflect this achievement, facilitating a greater promptness in the chronological analysis and histories of associations, technicians and farm leaders.

Some recommendations have not been adapted because they depend on the internal education process actually in progress. Others, because they affect basic elements in the philosophy of work of the DDF. This last case has as an example the location of the Collection Division and the Collection Agents. The Foundation has considered it important to separate the education function from the credit function. It has been considered more important not to add to these functions which might limit their communication with the groups.

12.1 Finance and Administration Division

The advisement to this division was oriented to the organizational aspects, administrative-operative controls and in the strengthening of healthy financial policies without losing the content and social implications of the Association Loan Program which the DDF has developed.

The central part of the technical assistance to this Division is condensed in two fundamental documents.

A. Loan Regulation. Redefined and actualized. This document enfolds approximately 80% of the assessment.

B. Procedures Manual for the Operation of the Loan Program of the DDF. This covers in one document the basic operating dispositions and forms that made up the complete process of each financing, from the first steps, to the formulation of the loan request to its closing.

Both documents perform in actuality a decisive function in the management and control of the loan program of the DDF in all its details. They are directed at the greatest easement of the complete process of association financing and the strengthening of the operating lines of the Program.

Performing the coordination in the creation, structure, regulation and disposition of the Zone Loan Committee and the Group Loan Committee, the division of Administration and Finance is in the best position and knowledge to maintain and expand the program of financing of the DDF with the greatest indexes of efficiency and effectiveness. The assessment of Technical Services of the Caribbean covered in all its vastness this particular aspect of the Loan Program of the DDF starting in the institutional, the operative and the function of the training of the field personnel.

Following these three aspects. we get the following picture:

A. In the Institutional

We have covered and redefined the interdependence of the Financial and Administrative Div. in the lesser instances given with the Zonal Loan Committees and the Group Committees. Likewise, we have made arrangements and adjustments in the greater instances with the Director of Finance and Administration, Controllers and the Regular Loan Committees of the DDF. Also, there have been established the communication channels between the Divisions of Technical Assistance, Commercialization and Promotion, and Training and Evaluation, which are strictly related with the Division of Finance and Administration in the services which are offered to the Groups and Associations by the DDF.

1) Operations. Independently of the recommendations specified, there was prepared a document that gathered the more determined aspects as far as operative norms of the Division in the Procedures Manual for the operations of the Loan Program already noted. Besides, the usefulness that this signifies to the DDF, this document serves as a reference to other programs - national and foreign - that prepare and start similar programs. At the moment, Appropriate Technology International ATI, is circulating it at the international level.

This Manual, additional to the inherent practice, facilitates the realization of revisions and regular operative analysis, with an integrated vision on the total of the norms and procedures of the Division. It also permits at the same time, a more precise view on the direction of the changes that should take place.

C. Training. We had available material related to the theme of well structured and selected financing with a wide vision of the complex field of association financing. Separate documents were prepared for the specific themes and training sessions were given at the level of each region to all of the personnel. These training sessions have as a final goal to assure the adequate comprehension of these themes and their application as continued practice. The general theme of this material comprehends among other, concepts, operation and controls of the program of association financing.

12.1.1 Measures that Should Be Applied to Finance

a) Greater and more effective work coordination of work with the Collection Division. There should be established integrated principles of action between both Divisions.

b) Define clearly and expressly the maximum amount of debt per member in each group, considering the account pending for payment and the new requests.

c) Define a precise policy in relation to savings and group capitalization, in a manner that the groups can achieve its own financing and economic independence and reach certain conditions that permit it to face the contingencies to which it is exposed in the use of the loans.

d) The form "Loan Request" needs to be restructured and adjusted in a manner that condenses more complex and objective information which would permit a greater view and analysis of each loan request submitted to the DDF.

e) The training material distributed and explained to the field personnel requires an evaluation and adequate follow-up so that its effects will not be lost in the vacuum and it maintains its vigorous action, achieving in perspective the deserved results.

f) It is our recommendation that the field personnel be made aware of the rules and disposition of the Technical Services of the Caribbean assessment especially the Procedures Manual for the Operation of the Loan Programs of the DDF.

12.2.2 TECHNICAL ASSISTANCE AND COMMERCIALIZATION DIVISION

The purpose of the assessment to this division was fundamentally oriented in the structuralization of an efficient operation of commercialization of the agricultural products of the associations. On the part of technical assistance the assessment contemplated the structuralization of a system of oportune supervision of the personnel of the Technical Services of the Caribbean and the activities of the groups.

The contents and recommendations of the assessment as regards to the agricultural market are detailed in only one document prepared by the advisor in this area, Ing. Pedro J. Tirado Lameiro, in which he covers the area of the commercialization of the agricultural products of the association which are assisted by the DDF. In addition to his ample, simple and practical recommendations, he describes exact procedures and alternatives rich in content.

This document should be studied more deeply in the interest of extracting from its context all of the information and teachings that should go towards improving and perfecting the marketing system. Its review should be a constant factor in the

process of marketing for the introduction of the modifications and changes to the same marketing system demands, in accordance with the accumulation of experience to that respect.

Within the area of the multiple recommendations given by the consultant in this area of the agricultural market, there are only two decisive actions in the commercialization process, one refers to the constitution of marketing committees for each group and the other in the constitution of a system of information for the agricultural products. It is inferred that this is due to the lack of following a coherent programmed line and successive, and by the limitation of specialized personnel.

At the moment we are activating the constitution and training of marketing committees in the agricultural associations that the DDF is assisting regularly in its four operating regions. In this sense, we have obtained the following regional indexes:

<u>REGION</u>	<u>PERCENTAGE ACHIEVED</u>
North	40%
Northwest	100%
South	50%
Southwest	60%

As far as the establishment of a flow of information on the profiles of prices of the principal agricultural products, we have only started contacts with information sources in the public sector and we are exploring new sources that will aid this proposition. The Division of technical assistance and commercialization in the actual conditions can only advise of the possibility of working in these areas in the immediate future.

This situation should be taken into account with the greatest priority possible given the determined incidence of commercialization in the behavior of associated agricultural financing to which the DDF is oriented to.

The case requires first priority to the last recommendation of the consultant in the area of agricultural marketing in reference to the suggestion "That the DDF request from USAID the assignment of funds to contract a Cost Analysis Specialist, a Project Development Specialist, a Human Resources Development Specialist and an Agricultural Planner." These technicians will have the responsibility to design, develop and take to its conclusion a training program for the members of the Marketing Committees of agricultural associations. Also, they will establish a program of professional improvement for the technical, administrative and management personnel of the DDF.

In the area of technical assistance received, the assessment suggested the establishment of a system of supervision of the activities realized by the groups with financial assistance of the DDF and to that effect a form was designed called "Project Follow-Up" which is actually considered as an indispensable working tool especially for the use of the agricultural coordinators.

The systematic application in the complete execution process of each activity financed by the DDF consists of reports on projects completed or not, field personnel of the DDF and at

the second level the Directors that have participated in the training and form part of the market committees of each association.

Starting at the second level this analysis should be done regionally.

12.3 PROMOTION, TRAINING AND EVALUATION DIVISION

12.3.1 General Aspects

In this Division, the testing of the association scheme is performed by the DDF. It is evident that in the area of the Organization of the Association of Producers and also in its progress model, the DDF had sufficient experience before the assessment of the Technical Services of the Caribbean.

Among these prior experiences there are the realization of various concrete programs of group promotions and credits. Various advisors had contributed previously to the formation of policies and work mechanisms. The same personnel of the Foundation have accumulated experiences that permit them an appropriate and communicable development model.

We found in all of the documentation analyzed that in this sense the DDF has a great production of orienting material.

We have found the assessment of Technical Services of the Caribbean produced a beneficial and multiplying effect that will continue to extend for the coming years. Many of the recommendations and designs have been implemented and others are in process. Some are being revised and adapted.

We estimate that the same production of instruments and specific mechanisms, the function of systematizing, gathering criteria and procedures and consistent interpretation of the criteria and policies has been a fundamental achievement. It is reflected in the efficiency of those credits and in the efficiency of the service which is shown by the operational data.

13.1 Introduction

The proposal of Technical Services of the Caribbean for the evaluation of the Arts and Crafts plan the Foundation is executing is described in the two functions to be done by the advisor.

a. General Functions. Evaluate the Arts and Crafts Plan and make recommendations.

b. Special Functions. Evaluate the economic and social viability of the Arts and Crafts Plan, taking into account: articles, quality, economic viability, internal and external market, group organization and functions of the DDF with respect to the plan and, 2. Make recommendations to the Foundation based on the evaluation realized.

The program counted with two advisors for a short-time, one in September 1980 and the other in October 1981 covering the areas of ceramics, leathers and dolls.

13.2 The Recommendations

The assessment incorporated various fundamental recommendations as follows:

Contract the services of one or two master artists in ceramics to offer training.

Training of the monitors to guarantee follow-up and whose work is done according to a plan.

Do a study of market viability and normalize the production of articles.

It is necessary that each shop has a monitor full-time.

Remodel the "Alfonbarro" Store.

Find a large location where the Warehouse and the Leather Center could be united and would serve also as center of gathering material and raw materials.

Cash shop should have a line of 12 different pieces in two or three sizes.

Promote a fair with the registered artists and by invitation.

The Director of "PLANARTE" should visit Puerto Rico to know the programs and experiences there.

Divide the contract of the Art consultants in cycles of five days for the follow-up of the visits.

Plan of Organizations of the following area:

- a) Ceramic Shops-variety and new designs
- b) Alfonbarro Warehouse - gathering center
- c) Leather Shops - warehouse, redesign
- d) Planarte Store - Redecoration, warehouse-shop
- e) Marketing Systems - salesman, transportation
- f) Promotion - fairs, markets, expositions, conferences, materials, printing, etc.

Contract an expert for 1 or 2 years in ceramics to normalize the production and to obtain a line of production of greater quality.

13.3 The Executions

Agreeing with the points and recommendations of the assessment of the Arts and Crafts Plan, the following actions have been taken:

The services of a ceramic technician (Wolfgang Heyne), have been contracted for the purpose of designing a program of technical assistance and implementation in the area of ceramics in the communities of Higuero and Reparadero in the Province of Espaillat.

Each monitor has been assigned a shop under his responsibility.

A study has been done on the demand levels of the line of low temperature items.

A brief market study to establish the lines of specific interest and potential clients.

To improve the efficiency of the ceramic shops the following activities have been implanted:

1. Unification of the shops Reparadero I and Reparadero II, and Higuero I and Higuero II.
2. The purchase of equipment and tools necessary to complete the productive structure.
3. Study new alternatives of raw materials based on Dominican materials.
4. Detailed study of costs per product.
5. Implement two types of assistance.
 - a. Administrative assistance performed by Peace Corps Volunteer.
 - b. Promotion realized by the division of Promotion and Management of Social Services and Financing of the institution.

In the program of leathers a new location was rented where there now located a training area, production area and and a warehouse. A project was presented to the Development Foundation of the East to construct a building for the Services Center.

A building was constructed for the group Santa Clara with an AID donation.

Loans have been approved for raw material for the shops of the Cerritos and Santa Clara.

The Director of PLANARTE visited Puerto Rico with the purpose of knowing activities of the arts and craft sector placing emphasis on the Arts and Crafts Festival.

In December 1981, the Arts and Crafts Festival 81 was celebrated and this will be celebrated annually.

Fairs, expositions, promotions and publicity have been developed to the end of promoting the arts and crafts demand.

13.4 Observations

Some recommendations that have not been executed by those responsible for the program are due to reasons of time in the sense that they are long-term and others for limitations of resources and would require significant investments.

The assessment was conditioned in terms of producing recommendations of greater levels and range than the time limits available in which the visits were made.

13.5 Conclusions

The assessment produced its positive effects even with the limits on the time during which the visits were made for observations, studies and exchanges.

The Program has taken positively the recommendations implementing the majority of them where it has been possible.

The observations, points and recommendations have contributed to dynamize the program and elevate the levels of demand and programmed growth in the internal levels of the institution.

CONCLUSION AND RECOMMENDATIONS

This document presents in a synthetic way, the principal conclusion and recommendations of the evaluation results of the technical assistance provided by Technical Services of the Caribbean to the Dominican Development Foundation (DDF).

It is preceded by the General Report, presented as a separate document, which we use as a reference.

On Nos. 6, 7 and 8 of the report, the objectives of the evaluation, the areas evaluated, and the work process are presented.

Of the objectives of the evaluation Point No. 6.1 was a methodological character and was addressed to establish the self-internal logistics in the development of Technical Services of the Caribbean assistance. As mentioned in the report, this aspect can be deducted from Technical Services of the Caribbean basic functions, Personnel Functions and workplans. Its framework was offered by AID Agreement 517-0124 of September 28, 1979.

It was established as the principal purpose of the assistance the institutional development and strengthening of the DDF enabling it to have the necessary capacity in the handling of their financial operations on a large scale, with organized small farmers, which at the same time was one of the AID conditions for disbursement of funds.

This report establishes that Point 6.2 showed the fulfillment of redesigns and adjustments in the initial plan on an unequal manner. The assessors' time is more than 100%. The activities of their respective individual programs, between 75 and 80%.

Within the factors which conditioned the assistance program we can find:

Problems in selecting assessors for some areas, especially artcrafts.

The limitation in the development of teams for the assessors' activities, since they worked according to their plans and at different times.

The necessity to adapt to the environment and to recognize that DDF incurred on additional time.

Problems associated with the establishment of national counterparts.

As far as institutional environment, restructuring, personnel changes and definitions of regions and areas, they coincided with the assessment.

The welcoming and treatment of the advisors was optimal, as well as the communication established, but there were limitations on the time spent by the different personnel levels, due to their multiple occupation.

We cannot analyze how the external environment influenced the assessment.

The report establishes on Point 9 through 14 which ones were the real products of the program, according to specifications previously established.

With the exception of the system and collection organization, and as far as the DDF global strategy, the majority of the recommendations made by the consultants were understood and accepted.

We can estimate that around 65 to 70% of the recommendations were implemented, percentage which is currently rising. We can affirm that the Office of Management of Social and Financial Services is operating based on the recommendations made by Technical Services of the Caribbean.

The diagnostic of areas, the criterion for group selections, the credit guides, the projects' preparation process, the analysis and decision-taking on loans, and in the financial area in general, are aspects which the assessment provided by Technical Services of the Caribbean has strengthened the DDF.

The artcrafts program requires a more substantial treatment since the time and intensity of the assessment was scarce. It also requires in-depth study in the area of rural or social organization, especially in the latter to improve the groups' diagnostic and treatment.

Based on Technical Services of the Caribbean production (consultants documents, guidance, forms, etc.) DDF can formulate a capacitation process and service training which multiply the beneficial effects of the same and of greater consistency in the implementation.

On the other hand, it is required that an interdisciplinary internal team make compatible and analyze several of the recommendations. This can be done by the Committee designed for this purpose but it has not functioned or other mechanism judged to be more capable.

DDF's current operations volume and the flow of its internal work process indicates DDF's capacity in administrating greater tasks. In some aspects one should count with the

specialized personnel and increase the field workers' levels (coordinators and technicians).

The central analysis function should be strengthened with the establishment of a systematic and cumulative handling of the informations which the instruments designed by Technical Services of the Caribbean allow to gather.

This data can be easily computerized and widen greatly the efficiency of the DDF and the new mechanisms established.

The impact of the assessment on some of the financial aspects of the DDF is not yet significative. This is the case of the recuperation index which are still low (70%). Within the factors which seem to incide in this delay are:

a) Lack of marketing and commercialization. This affects the final sale of the commodities, especially in the cases of significative production increases, affecting the income and profit - gross and net. This affects the marketing assistance and infrstructure works as well.

b) Another factor is the lack of follow up to the producers, especially on technical productive aspects. Mere chances govern in great measures the agriculture, plagues and other are less foreseeable and controllables given our technological levels.

c) A third factor is the lack of control of the groups themselves. Eventhough the credit is to a group, the application and responsibility is individual. The garden (conuco) is cultivated individually and the producers appears as an individual or family. It is important the absence of trusted controls. In the majority of the occasions, the producers

did not even have adequate registration.

On the other hand, even though the formation of specialized teams within the associations or groups has been a great achievement, there are deficiencies inherent of an early stage of development: Among these: Little internal or systematized habits, lack of internal measures on the main norms and guidance, lack of concrete abilities.

Specifically, the marketing committees lack negotiation capacity. The Technical Services of the Caribbean assessment was short and did not make an in-depth study.

As far as the administrative capacity of the groups, the assessment made by Technical Services of the Caribbean insisted on a Competitive Point of the same. Through several analysis it was estimated an approximate amount of RD\$10,000 (Ten Thousand Dominican Pesos) for an average group of 17 producers.

For the DDF officials this determination, although flexible, has allowed them to handle with requests that exceed the administrative capacity of the groups. It appears that commitment measures and assistance or technical supervision agreements should be established for large amounts.

It is evident that DDF requires a more rigorous determination of the financial status of each individual. This necessity was found by the assessment but it was not completed.

As far as the credit operations and their adequate handling, the assessment of Technical Services of the Caribbean contributed to the establishment of an anticipated programming and to the establishment of a formal codified document process.

The Controllers and the Office of Management of Social and Financial Services, were directly institutionally benefited. According to the prior STC diagnostic, eight (8) aspects should improved and indeed have been improved, although on an unequal proportion:

1. Project Investigation.
2. Evaluation of Projects
3. Loan Analyses
4. Loan Disbursements
5. Loans Supervision
6. Establishment of a Top Amount for Loans to Groups
7. Loans Guarantees
8. Loans Controls

No. 2, 3 and 5 were the ones which obtained more achievements. Followed in order by No. 6, 8 and 4. In the remaining there was less achievement and they need an in-depth study or broadening.

Even with this significative changes, the internal commission that has to clear and make compatible, as well as to changes in the organization chart which has improved DDF's operations, it still is an area which needs to be treated more carefully in the Foundation's strategy.

The group promotion and reproductive projects and the DDF's specific character as predominantly an Agency of Social Function or of a predominantly financial function.

The analysis of greater impact and/or economic benefit, cultural or social of the DDF and the rationality of its investments and costs.

Nor the assessment provided by Technical Services of the Caribbean nor the Foundation or AID have proposed this analysis on an immediate basis. In addition to being transcendental it affects the personality and actual institutional base of the Foundation.

The organization, selection and personnel distribution, the division, specialization and work ranks is based on their actual strategy. The Technical Services of the Caribbean according to this evaluation has contributed to a greater functioning, systematization and strengthening within this view.

The CASE with this evaluation has presented the limits, deficiencies and achievements obtained by the same. Thus, it is up to DDF and its patronizers to go into this analysis to obtain a global perception of the same.

In any event, in-depth studies and assessments should be made.

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