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CENTER FOR DEVELOPMENT INFORMATION AND EVALUATION

Democracy and Governance And Cross-Sectoral Linkages

Pilot Study, Dominican Republic

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Authors: Joan Goodin and Hal Lippman

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Team Members: Hal Lippman, Susan Merrill
Pat Isman, Joan Goodin

I. INTRODUCTION

In collaboration with G/DG and AFR/SD, CDIE is conducting a study of the linkages between democracy and governance (DG) and the other strategic objectives (EG, HPN, ENR, HCD) that contribute to USAID's goal of achieving sustained development. The objective is to examine how, to what extent and, to the degree possible, with what effect DG program approaches are being included in the other objective areas and vice versa. The study will attempt to show how DG programs can promote results in other sectors and how programs in other sectors can promote results in DG. Study findings and lessons learned are intended for USAID/W and Mission managers, as well as for those involved in program design, implementation, and evaluation. In short, the study is meant to help improve Agency programming by determining the effects and appropriateness of cross-sectoral programs that include DG program approaches.

It is anticipated that case studies will be conducted in up to two countries in each of the Agency's four geographic regions. While not intended as in-depth assessments of all of the USAID program elements, these studies will provide a snapshot or situational analysis of the major incentives and disincentives affecting cross-sectoral linkages, programs developed that promote linkages, and results achieved (intended and unintended). To the extent possible, the individual case studies will focus on one type of DG cross-sectoral link, i.e. DG/Environment, DG/EG, DG/HPN. Summaries of each country study will be prepared after each trip, but will not be published as individual reports. The summaries will serve as the basis for a synthesis report to be drafted following the completion of all fieldwork.

In order to test the study methodology, a pilot was conducted in the Dominican Republic by a four-member team from May 25 to June 5, 1998. The team included two officers from CDIE/POA, one from G/DG, and a consultant from Management Systems International (MSI). The team reviewed key documents and met with Mission personnel and key partners and stakeholders in Santo Domingo and various parts of the country. (Organizations contacted and sites visited are listed in **Appendix A**)

II. IMPLICATIONS OF HOST COUNTRY CONTEXT

USAID's strategy in the DR has evolved in accordance with the political relations between the two countries and the changing socio-economic context. Unlike most other countries, however, in designing program approaches, the Mission has had to take particular care to be perceived as a credible development partner, while attempting to overcome the negative popular sentiments toward the U.S. left by past military occupations and political interventions. The perception is that the U.S. supported the dictatorship of Rafael Trujillo from 1930-1961 and then, to thwart a possible leftist takeover, backed the

autocratic regime of Joaquín Balaguer of the Social Christian Reformist Party (PRSC), who won a four-year term in 1966 in the country's first democratic elections. Following non-competitive re-elections in 1970 and 1974, and subsequent re-elections judged to have been fraudulent, by 1994 Balaguer's power had been severely weakened. That process was accelerated by the erosion of popular confidence in his ability to solve economic problems, the high cost of government corruption, a series of general strikes, and popular frustration with continuing electoral fraud.

After Balaguer's flagrantly fraudulent victory over José Peña Gómez of the Dominican Revolutionary Party (PRD) in 1994, he was pressured by the OAS, the U.S. Embassy, USAID and public opinion to agree to a Pact for Democracy, under which he would govern for only two years, with new elections to be held in May 1996. The Pact also prohibited presidential re-election, and provided for the appointment of a new non-partisan Electoral Board, a run-off if no candidate obtained 50% of the vote, and reform of the justice sector. This represented a major turning point in the country's political development and ushered in a process of democratization. (Brief descriptions of the watershed events since 1994 are contained in **Appendix B**)

III. MISSION STRATEGY

Since the 1960s, USAID/DR has worked not only with the government but with PVOs/NGOs, using PL-480 local currency for humanitarian and poverty-related activities. Over time, as funding levels increased, independent Dominican NGOs and those with links to international PVOs became the major actors in the struggle to alleviate poverty. Due to the complex political environment surrounding implementation of the 1994 Pact for Democracy, to maximize the opportunity for free and fair presidential elections in 1996, USAID opted to channel all support to civil society organizations, rather than become involved with initiatives linked to the government. Thus, since 1996, implementation of each of the Mission's four SOs has relied almost exclusively on NGOs. Following the successful 1996 election, the Mission began to channel limited support to the new government, particularly to strengthen its capacity for policy analysis and reform. USAID/DR is in the process of a downsizing that will eventually make it a limited sustainable development mission, reducing its current portfolio from four to two SOs.

The Mission's four Strategic Objectives are:

- SO-1, EG: Strengthened Institutions Which Contribute to Economic Opportunities for Poor Dominicans;
- SO-2, HPN: Increased Use of Effective Preventive Health Care Services;
- SO-3, DG: More Participatory Representative and Better Functioning Democracy Achieved; and,

- SO-4, ENR: Increased National Capacity to Produce Environmentally Sound Energy.

Under these SOs there are a number of initiatives with potential and/or actual cross-sectoral implications:

SO-1

Economic Policy and Practices Project (EPP) -- a five-year, US\$6 million initiated in June 1992. Unlike many other policy reform projects, this project sought to work with Dominican NGOs to analyze and develop a consensus on economic policy reform measures. Instead of using a Dominican NGO to manage the project, the Mission choose the Stanford Research Institute International (SRI) to implement this effort under a Cooperative Agreement(CA). The goal was to develop both policy analysis and consensus on economic reforms that promote private investment, productive employment, export-led diversification, and sustained economic growth. As with PID, a Consultative Committee of recognized specialists in economic policy analysis was established, while an Activity Selection Committee was created to select sub-grant activities. Under the project 23 subgrants have been made to 20 NGOs. The project is now being terminated by the Mission although there is a pipeline that can still be used to promote economic policy reform.

SO-2

3. **Family Planning and Health Project (SO-2)**-- Health sector activities involve agreements with a number of Dominican NGOs working in areas such as: community-based reproductive health services; community participation in the building, maintenance and management of water/sanitation systems; integrated urban health services, water/sanitation, and general community development/organization; health system decentralization; and developing an accreditation process for NGOs receiving government subsidies for service provision.

SO-3

Democratic Initiatives Project (PID) -- Reflecting the Mission's half-step-behind approach (see SO-4 below), the PID was approved in early 1992 after a year-long consultative process, which included Dominicans being involved in the drafting of the project paper. To administer it, the Mission signed a 10-year, US\$9.7 million cooperative agreement with *Pontificia Universidad Catolica Madre y Maestra* (PUCMM). A Consultative Council of some 20 leaders from civil society organizations was named to guide project activities, review and recommend approval of grant applications, and oversee the continuing validity of project objectives. While USAID has veto power over Council decisions, it has never exercised it. The project supports activities to

promote a more dynamic democratic culture, facilitate and encourage citizen involvement in the political process, and enhances government efficiency and impartiality. During PID's first six years, sub-grants have been awarded for 115 projects and 52 events involving some 3,000 organizations nationwide. Among the PID projects, 76% of those funded were for democratic education, 15% for political reform, and the remainder for activities related to elections or training civil servants.

Strengthening Civil Society Project (SCS) -- In preparation for the 1996 presidential elections, signers and other supporters of the 1994 Pact for Democracy formed the Group for Democratic Action (GAD), to promote a transparent, free, and fair election that year. At this point the Mission re-designed its civil society strategy to capitalize on the high level of public interest and willingness to participate, and to empower Dominican NGOs to implement election-related activities. SCS was approved in August 1995, with US\$2.4 million in funding. Two grants were awarded: US\$1.88 million to PUCMM (separate from PID), which acted as the GAD convener and secretariat, and US\$520,000 to Inter-American Institute for Human Rights/Center for Electoral Promotion and Assistance (IIDH/CAPEL) for technical support for election monitoring and related functions. Under the PUCMM grant, Citizen Participation (PC), an NGO formed in 1993, was funded to organize a new national network of electoral observers. After the highly successful 1996 election, USAID was praised for its strategy and the performance of the participating Dominican NGOs was lauded as constructive, generally impartial, and non-biased.

Strengthening Civil Society II (SCS II) -- a five-year project launched in 1997 to build on the success of SCS, in preparation for the 1998 legislative and municipal elections (initial funding of US\$3.1 million for 28 months). Both GAD and PC had gone through a rough period after the 1996 election. GAD was officially disbanded (subject to reconvening if circumstances warranted), and PC restructured itself, receiving a bridge grant of US\$47,458 in April 1997. For the 1998 election cycle, PC entered into a 28-month Cooperative Agreement (CA) with the Mission. Assuming that the requirements of the first Agreement have been successfully met, and funds are available, PC may apply for a second CA to prepare for the 2000 presidential elections. (The CDIE team arrived shortly after the May elections, and was able to verify the highly successful outcome of PC's work and the critical role played by its 12,000 volunteers.)

SO-4

PVO Co-Financing Project -- a US\$22.2 million 10-year project launched in 1989, through an agreement with the Dominican government (US\$15.7 million from USAID, US\$4 million from the GODR, and US\$2.5 million from NGOs). Rather than following a more traditional AID project management approach, in order to be

accepted by the Dominicans, the project allowed the PVOs more decisionmaking authority in terms of projects. This approach became known as the "half-step-behind" (*medio paso atrás*), based on broad consultation with NGO representatives and key leaders from other relevant sectors. The project's goal is "to improve the well being of lower income groups," while its purpose is "to increase the capacity of PVOs and NGOs to deliver selected services and other resources to the poor in USAID strategic objective areas." A Dominican firm, ENTRENA, serves as the PVO support unit, providing training and technical assistance to participating NGOs to help them develop proposals and monitor sub-grant activities. The Dominican Development Bank serves as fiduciary agent. Project activities address both the rural and urban poor through initiatives in areas such as natural resource management, hillside agriculture, water and sanitation, health, community development, employment, and democracy.

IV. RELATIONSHIP BETWEEN DG AND OTHER SECTORS

1. The Mission's DG portfolio does not intentionally include cross-sectorally linked activities with the other sectors' SOs. DG initiatives have been tailored largely to accomplish specific DG results, such as fair and free elections and justice sector reform. However, the PID project is broad and flexible to permit the Consultative Group a wide latitude in approving grants as long as the proposal permits the promotion of citizen involvement in the political process.

2. The "half-step-behind" approach employed by PID was important for establishing the credibility of USAID as a development partner with civil society groups. This approach got USAID's foot in the door, created relationships with PUCMM and, to a lesser extent, the grantees, and built local capacity. It is, however, opportunistic rather than strategic and has not been an avenue for promoting AID's agenda or generating specific reforms in the political or economic realm. The approach is "bottom-up" in that it relies on the grantee to set the objectives of the activity within a wide framework. The question now is, at what point can/should a more proactive strategic approach be employed? (The Mission's EG team believes a proactive, "step-ahead" approach is needed for economic reform.)

3. The presidential elections of 1996 and the legislative and municipal elections of 1998 opened up the system, creating greater confidence and, thus, an improved enabling environment for citizen participation in all sectors. In 1995, for example, the Strengthening Civil Society Project (SCS) provided support to NGOs involved in election monitoring and other activities aimed at bringing about a free and fair presidential election in 1996. While Dominican NGOs had long been involved in the delivery of social services aimed at reducing poverty, this was their first broad experience in the political arena. Building on SCS's success, in 1997 the Mission launched SCS II to provide similar support for the 1998 legislative and municipal elections.

4. Reform of the justice system, and the transparent manner in which new Supreme Court judges were recently selected, helped to persuade the public that for the first time there are now three separate and independent branches of government. In turn, this has further improved the enabling environment for public participation.

5. There is growing awareness and acceptance by NGOs and the communities with which they work of the need to interact with government and participate in the decisions affecting them. In the past, NGOs provided services to communities the government did not provide and their relationship with government entities was arms-length (they ignored or avoided contact with them). Now, however, with the improved enabling environment, NGOs have realized they need to change their approach to act as advocates for the disadvantaged and teach them how government works and how to interact with it. Thus far, most interaction with government has been to obtain resources rather than to influence policy or seek assistance to correct inequities.

6. Some advocacy is also occurring in community organizations. Prior to the post-1994 democratic opening, people at the local level didn't know about advocacy and may not have done much of it even if they did, since they thought of government as being disinterested and/or unresponsive. PID training and advocacy training were described as being most effective when those involved felt the training responded to their felt needs.

7. An example of the growing awareness of advocacy's importance lies in the April 1995 founding of the NGO consortium, *Alianza ONG*. Comprised of 13 major associations representing education and science, community development, social action, philanthropy, religion, etc., the consortium is focusing on: developing the *Alianza's* role in civil society (the "Third Sector") through forming a "network of networks" and encouraging joint action by NGOs; strengthening civil society; and, promoting government/Third Sector relations (e.g. revising tax laws to facilitate modern philanthropy).

8. Democratic principles (e.g., transparency and inclusiveness) incorporated in other sectors' programs that contain community participation elements contribute to the achievement of results in these programs.

V. RELATIONSHIP BETWEEN OTHER SECTORS AND DG (SO-3)

EG (SO-1)

1. The Mission's portfolio does not intentionally include cross-sectorally linked activities between DG and EG (SO-1).

2. By 1994, the cost of doing business under the Balaguer regime had reached unacceptable levels and, as a result, individuals and

groups representing business interests became key allies in the Mission's efforts in support of the Pact for Democracy.

3. Under SO-1, USAID in 1992 sought to work with NGOs to promote a more open, market-oriented economy. The EEP project, which was intended to encourage the GODR to adopt and adhere to sound economic policies, achieved some success in terms of output indicators (numbers of individuals trained, involved in research, documents produced, etc.). The Project dealt with a broad variety of NGOs, many of which were organizations with no experience in economic policy analysis and reform. Others were groups that had been "captured" by special interests antithetical to the reforms and some were economic think tanks that were unable to facilitate achieving a popular consensus on the changes. The EEP did succeed in achieving its prescribed output goals, e.g., individuals trained and policy analyses produced. However, except in selected instances, this did not lead to specific changes in law or policy and thus the project's overall policy reform objectives were not achieved.

4. The increased transparency and popular participation in the 1996 elections acted as a catalyst for many of the leading EG-oriented NGOs, such as the National Private Sector Council (CONEP), leading them to realize that they needed to play a more active role in politics and economic policy. Yet, for CONEP, their participation has been clearly reflective of the large business owners they represent. CONEP is the biggest private sector organization in the DR and consists of the smallest of the large producers. It is continuing to fight for retaining the high tariff structure, a higher level of protection, and lower sales tax (IBITS). The lower IBITS has a minimal impact on the poor, since basic goods have little or no tax. In this way, CONEP is attempting to ensure that national industries continue to enjoy protection, even if this results in higher prices for many goods and commodities.

5. Ironically, the difficulty in achieving greater results in economic policy reform is a reflection of the DR's more open and diverse political system. There is more public dialogue, more stakeholders, and less centralized power, and thus it is more difficult to achieve consensus around reforms. For example, under the EEP, some NGOs have been captured by special interests and with the broad array of organizations involved there has been no consensus among them on project goals and objectives. Nor has there been consensus between policymakers and stakeholders on the need for reforms. Recognizing this, FEyD, the country's most prominent think tank, would like to have reforms simply issued by decree, using the President's highly centralized authority and ignoring popular participation. However, this is not possible given the current more democratic climate.

HPN (SO-2) & ENR (SO-4)

1. The Mission's portfolio does not intentionally include cross-sectorally linked activities between DG and HPN (SO-2) and ENR

(SO-4).

2. NGO activities carried out under SO-2 and SO-4 generally include community participation. However, according to the 9/95 Mid-Term Evaluation Report of the PVO Co-Financing Project, involved NGOs have not emphasized promoting democratic values and practices, even though much of the training they offer involves democratic principles. The training emphasizes strengthening citizen participation in community organizations and helping the latter become more efficient and effective in service delivery (the major objective of HPN and ENR programs). Much less attention is paid to providing information on how government works, promoting interaction with government, or creating federations to increase community organizations' clout.

3. While the level of organizational skill and knowledge of the political system varies greatly among NGOs involved in SO-2 and SO-4 activities, many are very well organized. Most NGOs the team contacted (e.g., MUDE, PROFAMILIA, FUDECO) work only in communities where organizations already exist, others (e.g., ADEPE and Hermandad) help to create local organizations. In essence, community organizations supported in order to achieve improved service delivery represent potential building blocks for DG programming.

4. The team found cases where community associations formed for water/sanitation services had begun to engage in political or advocacy activities. In some cases, elected officials are emerging from community groups (ADEPE and FUDECO), while in others citizens choose the person they want appointed to be auxiliary mayor or to serve as an advocate with government agencies. Such groups appear to be fertile ground for PID or other DG support for basic civic education leading to advocacy work. However, while Mission programs often include DG-related activities, due to the apparent lack of mechanisms and incentives, opportunities for cross-sectoral linkages are not being pursued.

5. The potential power of vertical linkages among organized groups is not fully recognized. As one moves up from local level organizations (e.g. farmers and producer groups) to federations of organizations, responsiveness to local level concerns tends to dwindle. However, some organizations at the provincial level have been effective at helping local level community groups bring their concerns to the provincial level.

VI. MANAGEMENT/OPERATIONAL FACTORS

1. As a CEL, USAID/DR was one of the first Missions to be reengineered. With reengineering came SO teams, the switch to results frameworks, the need to adapt to new program parameters, and a tendency to work solely on SO objectives for which the team was accountable. These new approaches and procedures had the

unintended effect of promoting stovepiping and reducing the level of contact and cooperation between and among Mission offices.

2. Current workloads, amount of time available, and parochial interests are all constraints to cross-sector linkages. Time is scarce to create synergies, e.g., members of different SO teams visiting program sites or government officials together. Staff tend to be parochial regarding their own SOs versus what serves the Mission as a whole. Other than some interest on the part of Mission management, staff did not identify any USAID incentives in support of cross-sectoral linkages.

3. At a January 1998 Mission retreat, there was consensus on the need to do more cross-sectoral work. One of the major reasons for this was that given the downsizing the Mission is undergoing, greater synergy has become particularly important in order to best utilize correspondingly reduced funds. Per Mission feedback, the CDIE pilot study served as an incentive for it to consider how to move toward increased cross-sectoral linkages.

4. SO teams include representatives of the PDO and Comptroller's Office, to assure a Mission level overview of their portfolios. However, representatives of other SOs are not included on each SO team, and extended SO teams have not been established. Expanded SO team membership could increase the exchange of information on activities that do cut across sectors and those that could serve more than one objective.

5. The agency is moving toward fewer and larger procurements in the future due to decreased numbers of procurement staff. The reality of reduced staffing means Missions have to consolidate grants from different SO programs to individual NGO recipients.

6. The Mission Contracts Office believes that establishing broad cross-sectoral grants might help create economies of scale. A Program Officer or other staff member who could look across sectors could serve as COTR for a cross-sector grant or contract. To fund a cross-sector agreement, each SO would have to give up some of its funding, since there is no central pot of money (all funds are allocated to SOs).

7. It is possible to expand existing sector-specific grants and also use money designated for DG objectives to "cross-subsidize" democracy components in other sectors' programs. Alternatively, funds could be included in all projects for training on democracy principles and practices. Along these lines, SO teams already coordinate on participant training, pooling money from multiple funding sources into one delivery order.

8. Mission staff see the Agency's attempt to have common indicators for each sector as militating against cross-sectoral objectives or results; e.g., because it limits opportunities for flexibility and creativity.

9. The Mission could use its interaction on overlapping issues with the GODR's central planning office (ONAPLAN) to discuss cross-sectoral programming possibilities with these officials.

10. Congressional earmarks, Regional Bureau directives, and Global Bureau policy on appropriate and inappropriate uses of sector monies limit flexibility in possible use of funds for cross-sector activities.

11. Cross-sector activities may be constrained by limitations in NGOs' expertise and experience, since this lessens their ability to be considered as potential recipients of cross-cutting grants or contracts.

12. Cross-sector activities can result in more complicated reporting requirements and possibly increase the amount of staff time needed to comply with them.

VII. CONCLUSIONS

1. As Mission staff have gained expertise and a level of comfort with reengineering, the timing may be right to find ways to think more expansively and construct the interrelationships and flexibility that were intended as part of the new organizational construct.

2. The way decisions are made concerning the allocation and management of resources is a key factor affecting cross-sectoral linkages. AEP factors or management direction could serve as incentives for increased attention to cross-sectoral linkages.

3. There appear to be a number of low-cost mechanisms that could be used to explore increased cross-sector program options aimed at maximizing the impact of Mission initiatives. Among these are: activating extended SO teams (including representatives of cross-over NGOs, i.e., those with funding from more than one SO); periodic sessions with major partners (e.g., PUCMM and ENTRENA) to consider ways to build on each other's efforts; exchange visits among grantees involved with different SOs; and, creating a senior management team with all SO team leaders included.

4. Cross-sector links can become problematic if partners supportive of goals under one SO are opposed to goals of another SO. In DR, for example, some of the same key business groups and individuals who have been leading supporters of electoral reform have been leading opponents of needed economic reforms.

5. In the case of cross-over NGOs, since SO activities are managed separately and there is no management team to see what the individual pieces add up to, cross-sector opportunities are lost. At present there are three areas of potential interchange between and among SO managers: vouchers and double-billing (currently overseen by the concerned SO teams); an NGO's sustainability (some SO teams are concerned with this, others

not); and, an NGO's function or strategic role in Dominican society (this is not considered). To the degree that these areas of potential interchange within the Mission can be successfully exploited, cross-sectoral linkages may be facilitated through cross-over NGOs.

6. There appear to be three categories of cross-sectoral linkages: stated or intentional linkages; unstated or de facto linkages; and, potential but still unrealized linkages. In the case of USAID/DR, CDIE's findings pertain only to the latter two categories, since the portfolio includes no activities that are intentionally linked.

7. Given the current political environment and the newly initiated flow of resources to the local level, incorporating advocacy skills and other DG principles into local institution-building efforts appears to be particularly valuable at this time. In the cross-sector context, the question here is under what conditions does it make most sense to support such efforts under a separate contract versus making it an integral part of the various sectors' programs.

8. Up to now, much of the assistance provided to communities by NGOs has been to promote self-governance (i.e., meeting pressing needs without interacting with government), rather than encourage a partnership with government and influence government actions. However, supported by USAID and other donors, communities are now learning they have a voice vis-a-vis government and how to exercise it. This presents an opportunity for more strategic coordination of these community voices within and between sectors, and among the various levels of government.

9. Mobilization of thousands of volunteers (recruited mainly through NGOs and community groups) to promote and monitor elections has provided a cadre of energized citizens that are reportedly interested in continuing their political activism. This remains an untapped resource for potential cross-sectoral cooperation.

10. There are ways DG/EG linkages might help promote economic reform. For example, the legislature's ratification of the Central American Common Market (CACM) Agreement would be an important step affirming the need for the DR to open up its markets over time. Building political coalitions of NGOs and other groups and helping them become effective advocates of their point of view is another way DG/EG links could help bring about needed economic reforms. Also, some of the media strategies used recently by Dominican NGOs to develop popular support for a more open judiciary might be helpful in this context.

VIII. RESEARCH ISSUES AND QUESTIONS

1. Are civic education and advocacy training most effective when tied to helping citizens or groups meet specific sector needs?

2. Since cross-sector links have a cost (e.g., they require approaching problems and handling information differently, and can involve increased staff time and expense), will changes in AEFs, for example, that might result in increased linkages also somehow diminish sector program capabilities?

3. Will cross-sector synergies increase if a DG promotion component, e.g., to provide democratic organizational skills (membership representation, transparent decision making, and advocacy training), were part of a sector-specific contract or grant?

4. What are the organizational incentives for cross-sectoral cooperation? Does someone high up in the Mission, e.g., the director, deputy director, or program officer, need to be a champion of cross-sector linkages for them to become a reality?

5. Do newly established NGOs concerned with service delivery perceive the relevance of advocacy skills as much as already established NGOs? Is there a sequence of skills that should be introduced to support institutional development for service delivery-oriented NGOs? Under what circumstances and how have advocacy skills been successfully introduced to NGOs?

6. Under what enabling environment conditions are NGOs more likely to engage in advocacy with "big D" implications (e.g., seeing legislative bodies as a place to go for policy change or promoting decentralization) versus "little d" implications (e.g., seeking specific community services and resources)?

7. At what point should one move from a "half-step-behind" approach to a more proactive strategic approach in promoting democratic transition initiatives?

8. Does any training for USAID personnel stress the importance of cross-sector linkages? Is such training desirable and/or feasible?

9. When should reform efforts within specific areas be eligible for sector funds and when should they be eligible for funds designated for DG objectives? For this study, should efforts to organize communities or sectors for purposes of service delivery not be considered DG, instead being treated as initiatives within the sectors that fund them? (G/DG's priority for civil society is to strengthen advocacy organizations. While it is recognized that community organization for the purpose of service delivery is important if democracy is to succeed, unless such activity is tied to the larger political context it does not qualify as a priority for funds designated for DG objectives.)

10. Who should serve as the locomotive for cross-sector linkages, e.g., for design decisions, program implementation, coordination, trouble shooting, procurement actions, and results reporting?

Should one person take the lead or should it be a shared responsibility among concerned SO teams?

APPENDIX A: ORGANIZATIONS CONTACTED/SITES VISITED**SO-1: Economic Growth**

1. **National Private Enterprise Council (CONEP)** - CONEP is the largest private sector organization in the DR, and consists of the smallest producers and the largest industrialists. It's priorities have been focused on a fair and open Supreme Court selection process, reducing corruption, and improvements in electrical energy.

2. **Dominican Agribusiness Board (JAD)** - JAD is the largest agricultural producers organization in the DR with over 30,000 members. It was founded in December 1984 and got its first USAID grant in August 1985 for \$2.5 million and subsequently got an additional \$3.5 million. Its membership consists of over 300 associations and federations, with numerous national associations and affiliated members. JAD was primarily organized to be an agricultural advocacy group, but also provides services to its members.

3. **Economy and Development Foundation (FEyD)** - FEyD is an economic thinktank that grew out of USAID's Trade Practices and Productivity Improvement Project. The Director, Andres Dauhajre, was trained in the United States and is close to President Fernandez. Under the EEP Project, FEyD produced a medium term macroeconomic plan for the country in 1996, which was never adopted. FEyD has helped put the economic reform policy dialogue before the public, although its director's tactics are often strident and counterproductive.

SO 2: Preventive Health Care Services

1. **National Health Institute (INSALUD)** - is a USAID-supported consortium of 53 health-related organizations. INSALUD and the Ministry for Public Health and Social Assistance (SESPAS) have formed a National Commission on NGO Accreditation to eliminate "influence-peddling" and create a transparent competitive system in which NGOs will have to bid for SESPAS-funded activities based on their record and the quality of their work and be held accountable for results. This initiative brings together the health sector and DG-related issues, such as public-private partnership, NGO strengthening, decentralization, and policy reform.

2. **Dominican Association for Family Care (PROFAMILIA)** - Founded 32 years ago, this is the International Planned Parenthood affiliate in the DR. It operates a nationwide program through a network of volunteers recruited through "strategic alliances" with other organizations - at present, some 800 in all 29 provinces. This NGO carries out programs in the areas of reproductive health services, domestic violence, women's rights, men's and youth programming. Under SO-2, it has received funding

for institutional strengthening (training, installation of MIS, cost-setting, etc.).

3. **Dominican Integrated Development Institute (IDDI)** - Has worked primarily in the barrios of Santo Domingo, providing integrated services in health, water/sanitation, and community organization/development.

4. **Dominican Women in Development (MUDE)** - Founded in 1979 to support womens' role in community organizing efforts, it presently works with 290 community-based organizations nationwide. In addition to getting funding from other donors (e.g. UNFPA), MUDE is supported by USAID under SO-2 for family planning\health services, and SO-3 through the PID for helping women participate in the public arena (e.g., running for office, seeking appointed postions, being involved in government decision-making.)

5. **Hermandad** - Is a small New York City-based PVO, working almost exclusively in San Jose Province since the mid-1980s. Its main office is in Bani and is staffed by a project director and a bookkeeper/administrative assistant. In 1991, Hermandad offered nine technical training courses on water and sanitation, and 12 agricultural extension courses. It is one of the PVO Co-Fi subgrantees (starting in 1993), having worked with 12 communities to build water systems and latrines. It also helped these 12 communities organize into an Alianza Campesina, an association the represents some 3,000 people (1,000 families in 600 households).

6. **Association for Clean Water (AAVI)** - Started in 1988/89 with funding from a consortium of NGOs (CONASUMI) and subsequently with USAID support through ENTRENA under the PVO Co-Fi project. It has focused on community participation in water/sanitation, environmental health, and maternal/child survival activities, primarily in the southern part of DR (e.g., Azua). This part of the DR has historically had one of the country's highest infant and child mortality rates.

SO-3: Democracy and Governance

1. **Catholic University (PUCMM)** - The administration of the Democratic Initiatives Project (PID) is directed by the PID Operational Unit located at PUCMM. The Operational Unit's eight staff carry out all day-to-day operations and direct all aspects of the project. From June 1993 - May 1996, the Unit's executive director and other PID staff jointly assisted in the design and award of 57 sub-grants and reviewed some 200 proposals. During this timeframe the Unit also conducted proposal writing courses, made 121 monitoring visits to sites of sub-grantees' activities, and attended 54 events organized by sub-grantees.

2. **Citizen Participation (PC)** - Was formed in 1993, largely by

intellectuals and journalists, to increase public awareness of the importance of the 1994 elections. Following that election, PC sought to expand its activities by organizing a national network of observers. Initial support for PC came from the National Endowment for Democracy and subsequently from USAID through the PID. For the 1996 elections, PC recruited some 5,000 volunteers as observers and poll workers; for the 1998 elections that number increased to 12,000.

3. Foundation for Institutional & Justice (FINJUS) -

Finjus is a non-profit organization established to promote development of Dominican democracy, with emphasis on judicial sector reform. Its goals are to: help Dominican laws comply with new economic, social, and technological realities; advocate for and monitor judicial system reforms; enhance the independence, professionalism, and efficiency of the judiciary and related institutions; and raise public awareness regarding judicial system limitations. In 1996, USAID awarded FINJUS a grant to support Dominican efforts to identify problems and plan reforms of judicial structures. FINJUS supports USAID's rule of law and PID initiatives.

SO-4: Energy/Environment

1. **ENTRENA** - Is the Dominican institutional contractor responsible for implementing the PVO Co-Financing Project. Under its auspices 35 NGO/community sub-projects have been undertaken in areas such as water/sanitation, watershed management, child survival, renewable energy, and employment/vocational training.

2. **Institute of Potable Water and Sewers (INAPA)** - Is the GODR agency responsible for potable water in all areas of the country except Santo Domingo and Santiago. It is interested in promoting linkages between water/renewable energy and grassroots democracy through community water-user organizations. INAPA is taking the lead within the GODR in working directly with NGOs and communities.

3. **Foundation for Community Development (FUDECO)** - Began as a Save the Children PVO but is now a Dominican NGO affiliate with Save the Children. It is one of the DR's ten largest NGOs and the largest in community development. FUDECO works with 140 communities in the north and south. It focuses primarily on reforestation and renewable energy and is supported by USAID PVO co-financing funding.

4. **Association for Development of Espailat Province (ADEPE)** - Has existed for 13+ years, focusing primarily on energy production. It has served as a model for others NGOs, placing major emphasis on strengthening community organizations through their development projects. It has received a PID grant to educate people on democratic rights and how to work in groups.

Sites Visited:

1. **Moca** -- ADEPE-sponsored watershed conservation/management and agri-forestry activities.
2. **San Jose de Ocoa** -- Hermandad-sponsored potable water and sanitation activities.
3. **Azua** -- AAVI-sponsored potable water, sanitation, and well construction activities.
4. **Loma de Cabrera** -- FUDECO-sponsored soil conservation, potable water, and sanitation activities.

APPENDIX B: MAJOR EVENTS SINCE 1994

1. Following the signing of the 1994 Pact for Democracy, representatives from business, labor, church, and university groups united to form the Group for Democratic Action (GAD) aimed at ensuring a transparent, free, and fair election process in 1996. The presidency was won by a very slim margin by Leonel Fernández of the Dominican Liberal Party (PLD, founded years ago by avowed marxist Juan Bosch) over PRD's Peña Gómez, with Balaguer's endorsement in the second-round run-off. However, the PRD won a majority in the legislature. The electoral process was judged by all observers to have been free and fair. A Dominican NGO active in the GAD coalition, Citizen Participation recruited some 5,000 volunteers as poll watchers and workers - a "first" for the DR.

2. With the newly-elected administration, since 1996 a transition has been underway in both the structure and operation of the central government. The president enjoys considerable popular support (63% in recent polls), while his closest advisors and top government officials tend to be viewed as inept, at best, or corrupt, at worst. Fernández also seems to be seen as independent of the PLD. He has created a series of 13 Presidential Commissions, each with a specific purpose, which have been placed outside of the existing ministerial or cabinet structure. While these special commissions operate differently and may eventually replace or call for reorganization of the traditional ministries, the rules of the game are not yet totally clear, since some offices continue to operate in the old favoritism/clientelism/rent-seeking mode, while others are seeking to reverse those old patterns.

3. There is a vibrant civil society in the DR, comprised largely of hundreds of Dominican NGOs, plus a limited number of US and international PVOs. For over 20 years communities have been organizing to meet local needs, seeking either to supplement or compensate for the lack of government services. Rural communities tend to have farmers' associations and mothers' clubs, at a minimum, while many have formed community-wide organizations to better address priority needs. The law governing NGOs (No. 520) dates back to 1927 and, though obtaining legal recognition was reported to be a simple matter for any type of entity from grassroots community groups to national membership organizations, leading NGOs are calling for reform of this Law and formulation of a new Law on Non-Profit Civil Associations. The new law would be tied to tax incentives for charitable contributions and, thus, the promotion of a Dominican philanthropic sector. (It was reported that 100% of contributions by business to registered NGOs used to be deductible, but that Balaguer, who had no use for NGOs, had reduced the amount to 5% of net income.)

4. One highly-significant step taken by Fernández once in office was to win approval for a transfer of 4% of the national budget

to the municipal level. Each of the 115 municipalities must use 60% for social services, with the rest for personnel and related expenses. This is part of the president's Decentralization and Reform of the State initiative. There are signs that since resources began to flow to municipalities, the divorce between community organizations and local authorities is being slowly overcome. While skepticism and mistrust still exist, there are signs of increased communication and interaction between public officials and civic society leaders in the interest of solving community problems. One NGO that works with 68 communities in the Northwest reported that, for the selection of auxiliary mayors (*alcaldes pedáneos*), it is customary for communities to hold open assemblies to identify the individual they would like to have appointed, and that the municipal mayor accedes to their wishes. An auxiliary mayor is appointed for each subdivision (*sección*) within the municipality. They receive a small salary, work out of their houses, and are generally seen to be the local authority on legal matters and liaison with the municipal mayor. Also, municipal council members and local representatives of the various political parties often "lobby" the community in favor of their candidates. In other sites visited, it was reported that the community had never participated in the identification or appointment of auxiliary mayors. Citizen participation in local decision-making may become the norm as the democratic political process matures.

5. In addition to budget transfers from the national to the local level, the current administration's plan for Modernization and Reform of the State also addresses the role of government at the provincial level, and calls for the creation of Provincial Development Councils. Provincial governors appointed by the president are to head these Councils in the 29 provinces and National District (greater Santo Domingo), with members representing key public and private sector institutions, including civil society. While this plan is still embryonic, such councils have been piloted in two provinces (Salcedo being the most notable example), and various other initiatives are being developed. One such effort is a three-year project supported with some US\$60 million from the Inter-American Development Bank and a German bank to the government's Social Investment Fund (*Procomunidad*). This involves a bottom-up planning process, where NGOs organize a day-long open assembly of communities in each political subdivision or *sección* of the municipality. Then plans from all subdivisions are combined, needs are prioritized, and the resultant municipal plan is negotiated with local authorities. Once agreement is reached, the plan is discussed with *Procomunidad* to determine how much the government is willing to allocate and to ensure that the municipality will match the amount, either with its own funds or through in-kind support.

6. Another important step involves the reform of the justice system. This, and particularly the inclusive, transparent manner in which Supreme Court judges were recently selected, represents

a highly-lauded and very visible step meant to help ensure that the rule of law will prevail in the DR. This process was spearheaded by a loosely-organized coalition of four Dominican NGOs with combined expertise in the law, citizen mobilization, and business, and was supported by USAID/DR, which had assigned high priority to justice sector reform.

7. The role and structure of public ministries is also in transition. It was reported, for example, that the recent reform of the health sector had expanded the number of Health Ministry regional offices from seven to 29 (one per province), with pilots now being carried out in two provinces. In the opinion of one highly-experienced NGO official, the reform and the process of carefully piloting it in selected provinces is a positive step, but one that will take a long time to complete. Meanwhile, it is unclear which rules of the game prevail. In short, a significant re-balancing of power between national, provincial, and local governments appears to be underway. This process will likely be accelerated by the new legislature which will convene in August of this year.

8. With regard to the new role and structure of public institutions, while it will take time to institutionalize new procedures and behaviors, there are signs that corruption-control measures are having an effect. One NGO leader reported that "one can see a difference," noting that in some offices it is not only unnecessary but even risky to offer bribes. In general, working with government is said to be changing dramatically; new systems, standards, and procedures are being introduced, along with a major change in personnel, mission, and objectives.

9. A model for achieving greater transparency, accountability, and efficiency in a given sector is emerging from USAID-supported efforts to reform health services. Inspired by a number of interested NGO leaders, a consortium of 53 health-related organizations has formed the National Health Institute (INSALUD), and is collaborating with the Health Ministry in a broad, participatory process aimed at formulating, adopting, and implementing minimum accreditation standards for NGOs receiving government subsidies. It was explained that this initiative was needed to provide clear and equitable "rules of the game" for all to follow, since up to now legislatively-mandated NGO subsidies had been distributed on the basis of favoritism, cronyism, or rent-seeking, with no accountability, reporting, or monitoring built into the system. A total of US\$6.7 million was awarded last year to NGOs for health-related activities, and in the last budget round, the legislature had increased the amount requested by 20% in what appeared to be a "pork-barrel" tactic aimed at favoring particular NGOs. INSALUD and the Ministry have formed a joint Commission to draft proposed minimum standards, which were discussed by over 170 interested NGO representatives at a national forum, and to provide training and technical assistance to those NGOs that do not meet the new standards. In addition, a database of health-sector NGOs is to be created and housed at

both INSALUD and the Ministry. As the INSALUD Executive Director said during his remarks to the forum, "It is we ourselves [NGOs] who are asking for accreditation to put our house in order... this process places us at the juncture with democratization."

10. One notable attempt to build national consensus around priority needs and to develop proposals for addressing them was the National Dialogue process launched by the president prior to the 1998 elections. This involved the appointment of about a dozen issue-oriented Commissions made up of both public and private sector specialists, which prioritized the proposals received from organizations and individuals through an open process of solicitation during three regional dialogues. These sessions were capped by a three-day national dialogue held in the capital, which resulted in a telephone book-size publication incorporating all the proposals received. While Fernández has said that there will be follow-up, aside from a few small-scale, concrete initiatives, nothing further has been done. Thus, the vast majority of those interviewed described the National Dialogue either as a failure that had raised expectations in vain or a meaningless exercise in futility.

The National Dialogue also propelled the economic policy reform debate into the national arena, taking up the issues of trade and tariff barriers. Fernandez sponsored an open debate on these issues with FEyD, JAD, and CONEP on the final three days of full dialogue in Santo Domingo. With FeyD's assistance the government developed a tax and tariff package that was debated with private sector groups and NGOS. The PRD, supported by JAD and CONEP, successfully opposed these reforms. Since there was no consensus the reform package was not voted on. Ironically, FEyD believed that the President should have used his executive privilege to promulgate the reforms. While this may have been appropriate under the prior autocratic regime, the President found it untenable in the current environment.

11. In May 1998, municipal and legislative elections were held. Citizen Participation again organized vital support, recruiting 12,000 volunteers for a process that all agreed was free and fair. Shortly before election day, Peña Gómez died and many believe this prompted a large sympathy vote which, together with anti-PLD sentiments, helped the PRD win the vast majority of mayoralties and an even greater majority in the legislature. It is widely anticipated that in the upcoming legislative session the PRD will use its increased clout to raise the portion of the national budget that is transferred to local government from 4% to 10%, as well as undertake other significant policy changes pursuant to overall constitutional reform efforts.

12. Political parties tend to be closed (especially the ruling PLD and the PRSC). Once elected, legislators generally lose touch with their constituents. The concept of accountability and ways to demand it appear foreign to most, thus creating a disconnect between legislators and those they represent.

Elections follow the party-list system, with results based on proportional representation. By virtue of a newly-passed law, for the 1998 round of legislative and municipal elections, all parties were obliged to include women for at least 25% of the slots on their lists. However, because women were placed at the bottom of the lists, they number only 18% of those elected.