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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

DOMINICAN REPUBLIC

PROJECT PAPER

AGRICULTURE SECTOR ANALYSIS PHASE II

BEST AVAILABLE

LAC/DR:79-5

Project Number:517-0117

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10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(267)	(33)	(300)	(267)	(33)	(300)
(LOAN)	()	()	()	()	()	()
OTHER 1.						
U.S. 2.						
HOST COUNTRY						
OTHER DONOR(S)						
TOTALS						

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY		H. 2ND FY		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	290 B	53		300					
(2)									
(3)									
(4)									
TOTALS									

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
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TOTALS							

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9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> b. FINAL FY <input type="checkbox"/>	a. AID Appropriated b. OTHER U.S. 1. <input type="checkbox"/> 2. <input type="checkbox"/> c. Host Country d. Other Donor(s) TOTAL
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II. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. Grant	D. Loan	F. Grant	G. Loan	H. Grant	I. Loan
(1) FN	290B	53		300		300	
(2)							
(3)							
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		TOTAL					

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13. SPECIAL CONCERNS CODES (maximum six codes of four positions each)	14. SECONDARY PURPOSE CODE
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15. PROJECT GOAL (maximum 240 characters)

Formulation of improved agricultural sector objectives, policies, and resource allocation for increasing agricultural production and small farmer income.

16. PROJECT PURPOSE (maximum 480 characters)

To establish the capability within SEA to carry out agriculture sector analysis activities on a continuing basis.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

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AGRICULTURAL SECTOR ANALYSIS, PHASE II

PROJECT PAPER

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AGRICULTURAL SECTOR ANALYSIS, PHASE II

PROJECT PAPER

PART I: PROJECT SUMMARY AND RECOMMENDATIONS

A. Face Sheet

B. Recommendations

It is recommended that AID approve an 18-month, \$300,000 grant to finance the second phase of the agricultural sector analysis project. The entire AID contribution will be funded from FY 1979 funds.

C. Summary Project Description

The Project is the last phase of a two-phase, grant funded program of AID assistance for sector analysis activities in the Dominican Republic (DR). The first phase project, funded by AID/W, introduced sector analysis methods to the Secretariat of Agriculture (SEA), and began to build up SEA's capability to carry out sector analysis activities. The second phase project was incorporated in the original program design. The purpose of the Agriculture Sector Analysis, Phase II Project (ANSE II is the Spanish acronym) is to establish the capability within SEA to identify farm problems and agricultural sector policy issues, to collect and process relevant information, to formulate policy alternatives and analyze their associated impacts, and to produce documented information which summarizes the results of analyses and presents relevant planning information to policy makers. ANSE II will emphasize the internalization of sector analysis capabilities within SEA through support of SEA's own follow-on sector analysis efforts. The Project is expected to establish SEA's capability to manage and carry out sector analysis activities without further major outside assistance.

The Project will provide assistance in the following three areas:

- 1.- Analyses of existing data using a wide variety of intermediate level analytical methods, including in-country application of computer analytical soft-ware packages.

- 2.- The agricultural sector model developed during phase one will be used for limited additional policy related analyses. The model's design and capabilities will be documented in order to enable further use of the model as desired.
- 3.- Assistance on the 1979 farm survey in the areas of survey design, data editing and processing.

The outputs of the Project will include: (1) descriptive reports summarizing information and illuminating problems and issues relating to farm management, rural development and agriculture sector policies and programs, (2) an agriculture sector model in a form that can be used for policy analyses as needed, and (3) an edited 1979 farm survey data tape, correlated with other agricultural and farm management information.

Project inputs will provide for (1) short-term technical assistance supplied by the Bureau of the Census and the U.S. Department of Agriculture to support SEA's efforts in the above activities; (2) a resident project manager to provide conceptual and technical guidance on a continuing basis, to manage TDY backstopping in relation to project objectives and SEA needs, and to enhance the coordination of the analytical activities of the Office of Sector Analysis within SEA with the associated activities of other agricultural sector offices and agencies; (3) a limited amount of direct short-term training; and (4) a small amount of direct commodity procurement.

An evaluation of the first phase project has just been completed. (Annex X is the "Project Evaluation Summary".) The design of the ANSE II Project is based on the evaluation's assessment of progress during the first phase, and SEA's plans and capabilities for carrying out the second phase. The technical assistance described herein has been specifically requested by SEA.

PART II: PROJECT BACKGROUND, DETAILED DESCRIPTION, AND RATIONALE

A. Background

This section will describe the conceptual approach to AID's two phase program of assistance to sector analysis activities in the Dominican Republic; the objectives and accomplishments of the first phase program; and the general plan for the follow-on second phase Project which is expected to complete AID's assistance to sector analysis activities.

From the beginning, AID's support for agriculture sector analysis activities in the Dominican Republic was designed as a two-phase program. The goals of the first phase were to introduce data collection, processing, and analysis techniques which contribute to a more systematic planning process and to lay the ground work for a second phase designed to institutionalize sector analysis capabilities within SEA. AID's contribution to phase one, approximately \$600,000, was centrally funded with the understanding that the second phase would be Mission funded. A January 1979 evaluation reviewed the first phase project's problems, progress, and accomplishments. It also assessed SEA's plans for future sector analysis activities. (Annex X is the "Project Evaluation Summary".) The design of ANSE II, the second phase Project, incorporated the results and findings of the evaluation. ANSE II will complete a few of the phase one activities which were delayed due to Dominican election disturbances and to both AID and GODR management factors, and will support SEA in its efforts to gain the technical capability and experience necessary to manage and carry out sector analysis activities without further major outside assistance.

Development of the first phase project began during late 1974 and the initial project design and draft proposal were prepared in April 1975. Joint SEA, Mission and AID/W meetings were held in the Dominican Republic in June to review the project proposal. Shortly after this meeting the Bureau of the Census (BUCEN) sent a team to the Dominican Republic to evaluate SEA's capacity to carry out a sample farm survey of the kind envisioned and to do the data processing. The team concluded that in the interests of timely publication of survey results, data processing, including editing and tabulating, should be done in Washington with close collaboration

of SEA personnel. A formal proposal for the Dominican Republic Agriculture Sector Analysis Project was approved by LA/DR in October 1975. A Project Agreement, retroactive to July 1, 1975, was signed between USAID/DR and SEA in May 1976. It was understood that the AID/W Sector Analysis Division would have overall management responsibility for the first phase of the project and that this responsibility would be shared by the Mission and the SEA planning unit during the second phase.

The overall objective of the first phase project was to initiate the evolution of a more rational agricultural planning process through the implementation of the following four activities:

- (1) A survey of farm production techniques. The collected data edited and put on a data tape.
- (2) Tabulation and publication of edited data, along with descriptive analysis of major issues addressed by the survey: namely, employment, income and production.
- (3) Design and implementation of "aggregate representative farm" linear programming models.
- (4) Linkage of these "aggregate farm" models into a sector-wide, price-sensitive framework model.

During the implementation of these activities the first phase project concentrated on the development of a core staff of trained agricultural planners and on technical assistance and training support for the transfer and adaptation of more appropriate and effective planning technologies. Most of AID's \$600,000 contribution to the first phase was centrally funded by AID/W and much of the work was done in Washington. Inputs included more than 180 person-months of technical assistance, largely from USDA and the Bureau of the Census (BUCEN); training for about 50 Dominican technicians and planners; and computer time and preparation and printing costs for surveys and reports.

Specific accomplishments of the first phase project include: (a) the first comprehensive nation-wide sample farm survey; (b) generation of the information necessary to produce the first profile of the Dominican small farmer at a national and regional level; (c) publication of a ten-volume set of key farm level generated data

never before available; (d) development of a series of linear programming training models and a nationwide model, disaggregated by zone, crops and farm size, now being calibrated; (e) counterpart personnel trained in analytical techniques and application of computerized software packages; (f) publication of the first agricultural labor study ever carried out by any Dominican agricultural agency; (g) contributed to the establishment of an operational computer center capable to processing large data bases; (h) publication of six working documents which describe the methodological procedures for carrying out surveys and processing large data bases; (i) institution of internal programming procedures now widely followed by the agricultural sector planning agency; (j) introduction of personnel practices which recognized advanced academic training, a pioneering accomplishment.

Perhaps the most significant contribution of the phase one project has been its contribution to the professionalization of planning efforts within SEA. SEA has used its increased data processing and analytical capacities to improve its current operations and to rationalize the planning process. Examples of this include the Medium Term Plan for the agriculture sector, the "Plan Operativo" for 1979, the quarterly production surveys, quick planning and processing of a unified personnel/payroll system for SEA, and improved quantitative and qualitative statements by the GODR regarding the agricultural sector.

An example of how the Project's outputs are translated into policy is the impact of a labor study completed during the first phase. The results of this study contributed the Secretariat of Agriculture to openly endorse a labor absorption policy. It also presented policy-makers with information regarding the employment impacts of the GODR's agrarian reform program.

During January 1979 an evaluation of Phase I was undertaken to assess the project's progress towards its stated goals after approximately three years of project implementation. The Project Evaluation Summary (Annex X, page 7) states that: "Although... not all of the outputs were obtained*, significant progress was made toward the goal. An unplanned effect has been generally increased professionalism within SEA's planning units. The GODR has set more systematic planning as a high priority and the political, organizational and technical environment for it is much improved".

* Page 3 of the PES describes factors causing delays.

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The evaluation team also reviewed GODR plans for future sector analysis activities. In its assessment of alternative future directions of sector analysis activities, the team considered different levels of complexity and comprehensiveness in analytical methods and data collection. SEA's organizational structure for sector analysis and the ANSE unit's current and projected capability to undertake larger volumes and or more complex activities were also evaluated.

The second phase project, developed during and after the evaluation, is designed to build upon the first phase. The first phase was designed to establish the necessary data collection and processing capability, and the analytical and institutional environment within the SEA which would be the basis for a second phase to develop SEA's own ability to utilize the information for systematic agricultural planning on a continuing basis. The second phase project will emphasize internalizing sector analysis capabilities within SEA through support of SEA's own follow-on sector analysis efforts.

The possibility of loan rather than grant funding the Project was discussed during the PID review. The PID included a "project planning and preparation component" in addition to the sector analysis activities. The result was a project with a much broader scope and higher cost than had been previously set forth in the FY 80 Congressional Presentation. Grant funds were not available to fund the entire amount. It was suggested that the Mission explore the possibility of loan funding at least part of the Project.

The Mission explored with SEA the possibility of loan funding all or part of the sector analysis activities. SEA stated that it would be impossible to justify loan funding the next year of the agriculture sector analysis activities. The primary reason being that another year is required to demonstrate to GODR policy makers the utility of these activities and of SEA's institutional capability to continue them after the second phase is completed. The GODR did state on several occasions however, that more systematic planning is a high priority throughout the government as well as in SEA. SEA did indicate that it would continue with some of the sector analysis activities even without further AID assistance. SEA did recognize, however, its limitation in capability and experience and requested more limited grant funded technical assistance in three specific areas: (a) intermediate level analyses of existing data including training in analytical techniques and software packages; (b) limited additional model analysis work and documentation of the sector model; and (c) design, edit and processing of the 1979 farm survey.

The project proposed herein has been defined, once again, in terms of the concept set forth in the Congressional Presentation, i.e., the project planning and preparation component has been deleted and the emphasis is on sector analysis activities. The estimated cost of the Project is also less than that indicated in the Congressional Presentation.

B. Detailed Project Description

The Project will provide a grant of \$300,000 to fund technical assistance and limited training and commodities during an 18-month period. The Project will support the sector analysis efforts planned by SEA. The Project's inputs, outputs, purposes and goal are described below and are summarized in Annex I, Logical Framework. Annex II, Conceptual Framework, graphically depicts the technical/political environment within which Project inputs are translated into goal achievement.

1.- Project Goal

The Project's goal is the formulation of agricultural sector objectives, strategies and resource allocation for increasing agriculture production and small farmer incomes. Indications of goal achievement will be the evolution of new and/or revised policies and programs that are more effective and efficient in attaining stated sectorial objectives. A longer term indication of goal achievement will be improvements in the quality of rural life and increased overall farm production that are attributable to these policies and programs.

2.- Project Purpose

The Project's purpose is to establish the capability within the SEA to identify farm problems and agriculture policy issues, collect and process relevant and reliable information, formulate policy alternatives and analyze the associated impacts, produce documented information summarizing results of analyses, and present relevant planning information to policy makers.

The End of Project Status (EOPS) will be an agriculture sector analysis group within SEA with technical expertise and experience in sector analysis activities. Indications of achievement of the purpose will be the sectorial issues formulated by the group and the policy and program recommendations, based on rigorous analyses of alternatives, which are presented to decision makers via descriptive reports, working papers and memorandums, and speeches prepared by the group for national leaders.

3.- Project Outputs and Inputs

The outputs of the Project will be generated by three Project activities:

- a) analysis of existing data
- b) agriculture sector model
- c) farm survey

All three activities are linked to the Project purpose of identifying farm problems and sector policy issues and of formulating policy alternatives and analyzing the associated impacts. The third activity is also linked to the establishment of SEA's capability to collect and process relevant and reliable data.

Each of the outputs, and the associated inputs, are described below. The details of the technical assistance inputs are presented in Part IV.B. Budget tables are found in Part III.C.

a) Analysis of existing data

i) Description

The 1976 farm survey carried out during the first phase project generated a much more comprehensive farm level data base than had previously existed. Data tapes with raw data, edited data and specifically created work files are available. Comprehensive cross tabulations of the data have been produced. Although the cross tabulations have provided useful descriptive information their applicability for policy analysis is limited. The 1976 farm survey data base offers a unique opportunity to analyze many farm and sector level problems and alternative possible solutions. Econometric, statistical, and other partial-equilibrium analytical techniques will be used to analyze the inter-relationships among sector, sub-sector and farm level variables and to attempt to measure and/or project the impact of alternative policy instruments on agricultural production and small farmer incomes.

ii) Outputs

The outputs of the "analysis of existing data" activity will be analytical reports summarizing information and issues relating to farm management, rural development, and agriculture sector policies and programs.

The ANSE unit's first priority is to carry out analyses of income distribution and the impact of technology changes on income, labor absorption and crop production.

Although no in-depth study of income distribution has been done it is alleged that the contrast between rich and poor is larger than in many other Latin America countries. There is some evidence to demonstrate that 75% of the people have barely enough to live on.

In this activity the ANSE II Project will begin to study income distribution in rural areas, and will describe the degree and characteristics of inequalities. The impact of various GODR policies and programs on rural income distribution will be analyzed with the objective of formulating recommendations for government actions to reduce income distribution inequalities.

In recognition of rapid changes in production technologies that are occurring, the impact of technology changes in crop production was selected as a priority area of analysis. Little is known about their effect on production, productivity, labor absorption, regional distribution of income, and on small farmer incomes. The analysis will be directed specifically to the economic characteristics of technology adopting farms and towards the impact of various policy instruments.

Other studies will also be undertaken to identify and analyze priority problems and programs within the agricultural sector. The analyses and reports will cover:

(1) price policies, including their impact on the supply and demand for individual crops, on substitution in the production of various crops (especially of sugar cane, rice, and other food crops), on import substitution and foreign exchange reserves, and the effects of INESPRE policies;

(2) cereals production, including choice of technology, production levels, and profitability for the farmer;

(3) fertilizer, including, for each of three regions, utilization by crop, and efficiency in increasing production;

(4) mechanization, including use by farm size, by individual crops, and impact of various types of mechanization in generating or replacing labor;

(5) credit, including use of credit by size of farm by individual farm activities, by degree of mechanization and level of technology, as well as by source and terms;

(6) marketing, including, by farm size and product, source of inputs and destination of outputs, prices at farm gate, processor, wholesale and retail levels, and utilization of storage and processing facilities;

(7) off-farm income, including sources and proportions of total income by farm size and family composition; and

(8) non-family labor employed by the farm, by size of farm, by farm activities and by levels of mechanization and technology use.

The ANSE staff will carry out these analyses and produce the reports themselves, with some technical assistance support, and in coordination with the problem identification, policy formulation and planning needs of other agricultural sector offices and agencies. The experience will provide the base on which the ANSE group can continue to build its capacity to undertake more numerous and more complex analyses in the future as well as to become more responsive to the increasing analytical demands of policy makers.

iii) Input Summary

AID's total input of \$134,000 into this activity will include: (1) short-term technical assistance for training courses in analytical techniques and for support of ANSE's work in producing the activity's output, (15 person-months, \$91,000); (2) the provision of computer software packages and materials for intermediate analytical methods (\$3,000); (3) approximately 45% of a resident manager's time (\$33,000); and (4) \$7,000 for several other items which are defined in Table D. The GODR's \$83,000 contribution is also elaborated in Table E.

The short courses in economic analysis techniques (described under "Training" in section "d" below) are designed to support this activity. The input of a resident manager is described in section "d" below.

b) Agricultural Sector Model

i) Description

The agriculture sector model refers to a linear programming model called "CEMI". The CEMI LP model can test assumptions concerning the makeup and interaction of agriculture sector components (e.g. supply, demand, resources, factor markets, etc.). Sectorial and

national plans can be tested for consistency. The implications of proposed agriculture sector policies can be examined, taking into consideration many important sector component interrelationships. Given its formulation based on three-farm size categories, the model can objectively measure effects of various policies on the small farmer, e.g. changes in credit availability and interest rates, pricing changes by INESPRES, land reform, additional irrigation, machinery availability, export taxes, etc. In addition, the model provides a comprehensive theoretical construct which helps to improve the logic and consistency of GODR officials whose function is to analyze the Dominican agriculture sector.

A document describing model methodology was released in December 1977. Over the past year extensive changes in model structure have been made with the intention of providing sufficient calibration to allow preliminary policy analyses. These structural changes have not been documented. Neither have the policy analyses been completed.

Although the model can make significant contributions to systematic analyses, the general conclusion of the January 1979 evaluation team was that ANSE does not have enough staff with sufficient experience and time to devote to extensive modelling work at this time. However, given its potential for useful policy analyses, the evaluation team and SEA technicians recommended that the development of the model be completed so that it can be used as called upon in the future. This requires some further calibration of the model and updated documentation regarding the model's design and structure, and a description of its capabilities.

ii) Outputs

The outputs of this activity will be the documentation of the agricultural sector model's structure, operation and capabilities. To a limited extent the model will also be used for systemic analyses of alternative credit and price policies.

iii) Input Summary

AID's total input of \$63,000 into this activity will include: (1) short-term consultant services (total of 8 person-months, \$40,000) allocated as follows: for the review of data consistency and of the model's performance (1 1/2 person-months), to produce a methodological working document (2 1/2 person-months), to assist the ANSE group in using the model for credit, price and other policy analyses (4 person-months); (2) approximately 20% of the resident manager's time (4 person-months, \$17,000); and (3) \$6,000 for various other items as indicated in Table E.

c) 1979 Farm Survey

i) Description

The 1976 farm survey carried out during the first phase project provided bench mark information on social, economic and agronomic characteristics of farms in the DR. It generated basic household demographic information as well as data related to on-farm and off-farm income, production, farm size, rural employment land use, production technology. The survey included more than 1800 farms selected on the basis of an area frame.

These data have been published in extensive cross tabulations of the variables with respect to farm size and sub-national regions, and have been the basis for developing a profile of the small Dominican farmer. The data has been used for descriptive and policy analysis studies.

SEA is already preparing to undertake another farm survey in September, 1979. This second survey will allow the analysis of developments and structural changes in the agricultural sector. Of specific interest are changes in crop production technology and their impact on productivity, labor utilization and income. The 1979 survey is also expected to improve the quality of the available agriculture sector bench mark information as it will allow the comparison of two different years (1976 was an exceptionally dry crop year).

The priority being given the 1979 survey is also a function of SEA's desire to significantly increase its independent capability to collect and process large data bases of farm level information. The experience to be gained by ANSE from direct management and execution of the 1979 farm survey will enhance SEA's capability to play an effective role in undertaking and processing the anticipated 1981 Agriculture Census. This can be done most effectively by using the staff of BUCEN and ANSE who were involved in the 1976 survey to train and support the new staff that will be involved in the 1979 survey. The collaborative effort, based in the Dominican Republic this time, on survey design, data collection, editing and processing will solidify the ANSE staff's understanding of the techniques used to generate reliable information for planning purposes.

ii) Outputs

The direct outputs of this activity will be an edited tape of the 1979 survey data, the issuance of statistical working documents summarizing the survey data in tabular form, and the creation of working file tapes for specific descriptive and policy studies.

Although the immediate user of the 1979 survey data will be the Office of Sector Analysis, ANSE II will explicitly seek to coordinate both data collection and dissemination with the needs of other GODR entities. Various information dissemination activities will be used to distribute the 1979 and 1976 survey information to a wider audience than was the case during Phase I. Portions of the 1976 Farm Survey publications are already being reprinted due to a larger than expected demand.

iii) Input Summary

AID's total input of \$103,000 into this activity includes: (1) short-term advisory services in the areas of sample design, editing and data processing (12 person-months, \$69,000); (2) approximately 35% of the resident manager's time (\$25,000); and (3) \$9,000 for various other items which are designated in Table E. Part IV.B describes the short-term services which are to be procured from the Bureau of the Census, (BUCEN).

d) Other Inputs

i) Project Manager

In addition to the short-term advisors described above and in Part IV.B, the Project will fund a long-term resident project manager. The project manager will assist the USAID Mission and its direct hire project officer in monitoring the project, will provide continuous conceptual and technical guidance and support, and will help coordinate, plan and manage short-term technical assistance backstopping in relation to SEA's needs and the Project's objectives. Approximately 75% of the project manager's time will be allocated to the above mentioned activities. The other 25% of the project manager's time will be devoted to the coordination of the ANSE Project's sector analysis activities with the associated needs and activities of the AID Mission and of other GODR entities, (18 person-months, \$75,000).

Part of the justification for the resident project manager mentioned above is set forth in the Project Evaluation Summary's comments regarding project leadership during the first phase project. (See Annex X, Section 22.A page 10.)

ii) Training

The Project will provide funding for some short-term training opportunities in both the DR and the US.

A series of four two-week courses in "Economic Analysis Techniques" is planned. The courses will be designed to provide

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approximately 40 Dominican technicians (1) an introduction to the use of new computerized statistical and econometric software systems, and (2) first hand experience in analyzing and processing large data base, computerized data files such as the 1976 Farm Survey. The intended audience for these classes includes personnel from ANSE, Economía Agropecuaria, other interested SEA agencies, Price Stabilization Institute (INESPRE), the Banco Central, the university faculties, the employment policy group and other relevant agriculture sector technicians/analysts. The size of the initial class is expected to be about 25. AID's contribution, i.e., the cost of an individual to prepare the classes and present them in the DR (5 person-months, \$29,000) is included in the "technical assistance" category of the budget tables.

The Project will also fund the travel costs of selected ANSE staff technicians to work with EUCEN and USDA staff in Washington. The work in Washington will be designed to expose the ANSE staff to editing, data processing and model tasks which were carried out in Washington during Phase I without substantive Dominican inputs. This on-the-job, short-term, Washington training also encompasses an institution building objective. Key ANSE staff will obtain a better understanding of the institutional and physical backstopping which improve the efficiency and capability of an organization's sector analysis activities (\$7,000).

iii) Information Dissemination

AID will contribute \$3,000 to support the dissemination of Project objectives and methodologies, and of project generated data and information. AID's contribution will fund the publication of documents for which the printing costs have not already been provided, such as: (1) statistical and methodological working documents; (2) descriptive and analytical reports; and (3) brief publications summarizing the results and conclusions of various analyses. The Project may also support some seminars and workshops. The purpose of this information dissemination activity is to integrate other GODR entities into the agriculture sector planning process and to promote wider utilization of ANSE products. The GODR will fund the printing of most documents.

4.- Major Assumptions for Achieving Project Targets

Key assumptions regarding the input-output linkage include: (1) the planned GODR staff (numbers and capabilities) are available and able to devote the specified time to Project activities; (2) Consultants arrive when needed; and (3) there is continuity in project leadership.

Among the important assumptions for achieving the Project's output-purpose linkage, i.e. that the products of the ANSE II Project, produced by ANSE staff with some technical assistance support, will result in achieving the Project purpose, are: (1) continued GODR emphasis on more systematic planning, (2) continued SEA support of sector analysis efforts, and (3) continuity of ANSE staff members.

The purpose-goal linkage involves a political sphere over which the Project itself has no control but which its outputs can influence materially (See Annex II). The key assumptions for achieving the Project goal are that GODR policy makers have the same goal, and that they are willing to utilize the results of more rigorous and systematic planning techniques and procedures to achieve their goal.

The Mission will attempt to insure that these conditions are achieved/maintained during the length of Project.

C. Rationale for Project

1.- The Problem

Despite much progress, inadequate data collection analysis and planning capabilities continue to be a major obstacle to the design and implementation of effective rural development policies, programs and projects in the Dominican Republic. The rudimentary methodologies and techniques previously applied to the agricultural planning process do not provide sufficient analyses and comparisons of the alternative strategies and options available to the decision makers. Policy and program decisions tend to be made on the basis of inadequate information and a superficial assessment of alternatives, and stated goals often are only vaguely related to policies. As a result, some programs are ineffective, inconsistent and at times counterproductive.

The 1974 USAID/DR Agricultural Assessment states: "...attainment of (Dominican) agricultural goals will depend on the effective contribution of all subsectors: agricultural, agro-industrial, credit, marketing and the media, both public and private... Further professionalization of sector institutions is required and efforts are needed to improve indigenous capacity. It will most certainly mean support and adherence to a continuous cycle of analysis, planning, execution and evaluation with consequent regular adjustments of programs and policies to meet goals."

Evidence of the first phase agriculture sector analysis project's impact on SEA's planning capability is noted in the draft 1978 Agriculture Sector Assessment:

"Dominican agricultural planning and policy analysis activities...have demonstrated considerable progress. In comparison to three years ago when practically no planning capability existed, a competent agricultural planning and policy unit that is producing useful preliminary planning information now is in operation. Although progress has been considerable, much still needs to be accomplished and long-term external assistance will be required to maintain the momentum."

The above statement also indicates the need for further assistance. The emphasis of this second phase project is on "institutionalization". Operationally this means the creation of an in-country institutional capability to carry out, on a sustained basis, sectoral data gathering and processing, analyses of policy and program alternatives; and making recommendations for the allocation of agricultural sector resources which are consistent with and supportive of sector goals.

The purposes of the first and second phase projects, and the nature of the technical assistance embodied in them, differ distinctly. The first phase concentrated on the development of the institutional conditions within the GODR for carrying out large data base sector analysis work. When the project was initiated in 1975 it was not possible to transfer the relevant technologies and processes because the institutions were unable to absorb or internalize them. The lack of necessary facilities in the embryonic computer center, together with shortages in the required number of adequately trained personnel were insurmountable barriers to the effective transfer of the relevant techniques. Thus the technical assistance was usually of an implementing nature rather than an advisory one. Now that the situation has improved considerably the purpose of the second phase of the project will be to transfer to Dominican technicians the capability to carry out sector planning activities without large inputs of foreign expertise.

2.- Relationship to AID and Other Donor Projects

The Project will build upon and reinforce several components of the AID Agriculture Sector Loans, and is coordinated with several other projects: "Comprehensive Resource Inventory and Evaluation

Systems (CRIES)"; "Remote Sensing for Resource Assessment-Area Sampling (RESRAAS)"; "Consumption Effects of Agriculture Policies (CEAP)"; and "DR National Employment Policy".

Through its educational and demonstrative effects the first phase ANSE Project prepared a technical and analytical environment in which the GODR could support the CRIES Project. Thus, the DR became one of the first LDCs to apply the CRIES methodology for preparing for a more comprehensive natural resource management system.

The ANSE and CRIES projects, together, through their on-the-job training, and introduction of more advanced analytical techniques, have set the stage for implementation of the Remote Sensing for Resource Assessment-Area Sampling (RESRAAS) Project. The proposed RESRAAS Project will be funded by AID/W and is to be carried out by USDA. It will provide agricultural information from the area frame constructed in 1971-72 and modified in 1975. Through its short-term on-the-job training of Dominican nationals, RESRAAS will supply the necessary know-how to effectively manage and utilize area frame sampling. Activities previously considered for inclusion under ANSE, such as segment rotation and substratification will be carried out under the RESRAAS Project. Both ANSE and CRIES will become important users of the improved data flow expected to result from RESRAAS.

The "Consumption Effects of Agricultural Policies" Project (CEAP), developed by AID's Office of Nutrition (DS/N) will study the effects of government policies on the consumption patterns and nutrient intakes of various vulnerable groups, including the urban poor, landless laborers and small subsistence farmers, and will attempt to establish a methodology for predicting the impact of various policy instruments. The ANSE Project's data processing and analytical capabilities - and the group's manifest interest in this aspect - were a major factor in DS/N's decision to carry out this nutrition/agricultural policy planning project in the DR. The ANSE II Project's support in building up SEA's computerized data processing and analytical techniques will enhance CEAP effectiveness. Also because CEAP plans to focus its analysis on the Central Bank's 1976-1977 Household Income and Consumption Survey, it will provide data for the ANSE staff to study the landless rural population.

The Mission grant-funded "National Employment Policy" Project (NEP) purpose is to establish within the GODR's National Planning Office (ONAPLAN), Office of Statistics (ONE) the capability to collect and analyze data and to formulate policies and strategies

designed to reduce existing levels of unemployment and under-employment. Its inputs, technical methods, and outputs for dealing with employment policy are similar to those of the ANSE Project which deals with agriculture sector policy. The data generated by the NEP Project will be useful to ANSE's own analytical efforts, again providing inter alia, important tools for attacking the problems of the landless and near-landless. The analytical training activities planned for ANSE II will include and benefit potential users of the NEP data. Further, the capability to process large data bases that is being established under ANSE II will be a resource that can contribute to NEP's success.

All of these projects seek to improve the GODR capabilities to collect information and to analyze policy alternatives for a variety of the DRs most pressing problems.

The problems of the rural landless are dealt with by the ANSE Project analysis most directly through the analysis of farm and family labor use data from the sample farm surveys, e.g. hired labor used by farms of various sizes and land use patterns, related to production practices and technologies, etc. ANSE will also draw for primary data on other AID-supported research projects, such as CEAP and NEP, which are designed to deal more directly with some of the problems of the landless. Rather than attempt to duplicate these efforts, the ANSE Project will coordinate with, and in some cases, provide direct support to data processing and analysis for these projects, and will subsequently be in a position to utilize their outputs to bolster its analyses and proposals for policy alternatives in such fields as agrarian reform, mechanization, choice of cropping patterns, irrigation, etc. It is in these contexts and in non-farm employment planning that the problems of the landless must be addressed.^{1/}

A recent initiative also promises to get an interdisciplinary study of poverty in the DR under way before the end of the year. SEAPLAN (as well as Mission) personnel are already involved in preliminary discussions, and the needs and resources of ANSE will play an important part in the implementation and outputs of this study.

The first phase ANSE Project was planned in close coordination with the AID Ag Sector Loans. In particular, two sub-elements of Ag Sector Loan II (PPA II), currently being implemented, and the ANSE

^{1/} Section III.A.2.a explains why landless are not included in the survey sample.

Project were designed to complement each other. The first sub-element, Economic Planning and Analysis, provides funds to expand the capabilities of SEA's Planning Department. The funds are used to undertake periodic farm-level analyses, to strengthen the Department's planning, budgeting, and project preparation abilities; and to develop the capability of analyzing the effects that alternative policies might have on agricultural sector performance. The second sub-element's objective is to support the development of a Data Collection and Evaluation Center which will enable SEA to collect data from various sources, analyze it, and promulgate it throughout the sector in order to establish a two-way flow of information between field technicians and decision-makers. PPA II inputs include commodities, and budget support to strengthen the Planning Department's staff, but very limited technical assistance. These inputs were designed to be supportive of, and complementary to, the inputs provided by the ANSE Project.

Other donors - notably FAO and IICA - have, from time to time, been involved in agriculture planning activities. These activities have generally been related to agricultural subsectors and have not been intended to analyze sector-wide implications of numerous policy alternatives. In no case have they dealt with large data bases of farm level generated information. The two ANSE projects have not duplicated any efforts by other donors.

PART III: PROJECT ANALYSIS

A. Technical Analysis

1.- Appropriateness of Technology

The Project's design includes methodologies for data collection and processing, analysis, and information dissemination which are considered to be efficient and effective in achieving the Project purpose and goal.

The evaluation of Phase I assessed not only the analytical tools used for sector analysis work during Phase I but also considered alternative analytical methods appropriate for Phase II. ANSE II will incorporate a number of different analytical tools in its sector analysis work, e.g., sector model, econometric and other partial equilibrium analytical methods, and farm budget and other farm level analytical methods. These analytical tools are briefly discussed in Section II above and in the Project Evaluation Summary. The manner in which these analytical tools will be combined in ANSE II is considered to be appropriate given the institutional capability to use them, and to be a cost effective method for achieving the Project goals.

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In the development of the methodology for data collection and processing, consideration was given to existing experience, both at the local and international level. Due to the experience accumulated by the Statistics Division of SEA's Agriculture Economics Department in undertaking the Quarterly Production Surveys since 1973 and the field work for the 1976 Farm Survey (CPS 76), it was decided that: (a) this same division should logically be responsible for the 1979 Farm Survey; (b) a questionnaire similar in nature to that of the CPS 76 should be used for the 1979 Farm Survey, so that the data gathered from this activity would be consistent and comparable across studies and through time; (c) in using a questionnaire similar to that of the CPS 76, the lessons learned in the tabulations and programming procedures used to analyze the CPS 76 data can be applied with a resultant saving in time and money.

It has been determined that the data collection efforts at the farm level should be consolidated into a single questionnaire rather than attempting to gather the desired information through various, issue specific, interrelated small surveys. It is felt that with a single questionnaire, better quality data will be obtained because: (a) through its more complete coverage, it helps the interviewee recall the basic information within a farm-context rather than focussing on a single activity; (b) it is easier to control the enumerators' performance through internal consistency checks in the questionnaire; (c) enumerators' fatigue will be reduced because they will be able to spend more time interviewing and less time moving between interviewees; and (d) overall cost is reduced and limited in-country management is not overtaxed. Furthermore, analysis of CPS 76 indicate that the error rate remains constant, regardless of how many responses are made or how much time is devoted to the interview.*

The lessons learned in the CPS 76 have taught that the returns from the more elaborate machine edit procedures do not warrant the investment in time and resources. Thus, a combination of manual and less sophisticated machine editing will be undertaken. SEA's Information and Computer Services Department (ICSD), presently directed by the former national advisor to ANSE I, has been developing the capability to effectively respond to the data processing demands that the Farm Survey will place on its personnel and resources.

The project will train the personnel in, and adapt the programming and system tools to, those areas of the machine-edit and overall survey processing where ICSD still needs support.

* SEA/AID Sector Analysis Project MWD #3; Control and Evaluation of Data Quality, Washington, June 1978, p. 65.

In the past, most of the censuses, surveys and studies that have been carried out in the Dominican Republic have been of limited timeliness, usefulness and reliability because of poor questionnaire and sample design, imperfect interview procedures and less-than-adequate data processing and analysis efforts where basic computer techniques were seldom utilized. The Quarterly Surveys, supported by AID-GODR Ag. Sector Loan II (PPA II), and the centrally funded ANSE, have successfully contributed to improve this situation. However, it is felt that there is a need for some foreign technical assistance from experienced sources, especially in those tasks which were carried out by US personnel during ANSE I. This project has been designed to complement the previous efforts.

The methodology proposed for the project has been developed by two USG agencies, the Bureau of the Census (BUCEN) and the USDA.

The BUCEN has worldwide experience in data development and surveys, notably agricultural surveys in Colombia, Guatemala and most important, CPS 76 in the Dominican Republic. This specialization includes questionnaire design, sample design and selection, manual preparation, training, editing of questionnaires and data processing. USDA/OICD has broad experience in project coordination, questionnaire and table design, and data analysis. Because of USDA/OICD's continuing involvement in the development of the model, the Project will continue to employ its services, and will utilize it in recruiting technical assistance for the economic analysis activity.

At the time of writing of the Project Paper, BUCEN and AID/W-LA/DR/RD have already contributed greatly in manpower and money to the preparation of the design and description of the general scope of ANSE II and the details of each individual component.

2.- Alternative Designs

In addition to the methodology detailed in the description of project activities, as well as in part 1 of the Technical Analysis, alternative designs were considered and discussed at length as the project was being developed. The following alternatives were taken into account.

a) Sample Design and Selection

i) Area Frame

During the initial stages of project development it was recommended to rotate the area frame segments to avoid bias from the responses of farmers that have been repeatedly interviewed since 1973. However, given the in depth farm-system nature of the questionnaire, it was decided that the benefit derived from the familiarity of the farmers with the interviewing exercise would outweigh the bias created by the "halo" effect of repetitive interviewing. Further, the USDA-RESRAAS project will meet the technological transfer, initially envisioned under ANSE, pertinent to overall area frame management.

ii) Use of the 1980-81 Agricultural Census

The forthcoming Agricultural Census was considered as a potential source of the data. However, the detailed nature of the desired intra-farm data, as well as the lack of absorptive capacity of the National Statistical Office (ONE), the agency primarily responsible for the Census, precluded the effective use of this data source as a vehicle to achieve the project specific objectives.

iii) Number of Observations

Careful consideration was given to a sample size increase to include landless peasants. It was found that this would require an external technical assistance effort beyond available resources and would overtax present Dominican personnel and institutional capabilities. Besides, most of the necessary data on the landless population are already available in the 1976-1977 Household Income and Consumption Survey of the Central Bank or will become available from the forthcoming AID/DR funded Employment Survey. ANSE will be instrumental in complementing both data collection efforts with its own analytical and data processing capabilities.

b) Training

The institutional capability to collect and analyze agriculture data and formulate sector policy requires a cadre of professionals knowledgeable in these areas. The ANSE staff, while having suitable basic academic preparation for their work, needs practical experience and additional training in data collection, and problem formulation and economic analysis techniques. The ANSE II Project approach is to transfer such knowledge through exposure to acknowledged experts in the field in the form of technical assistance in support of ANSE's own sector analysis activities. ANSE's

capabilities are to be strengthened and reinforced by the "learning by doing" focus of the Project in which the staff members will actually be applying their training to work that they are engaged in.

One alternative to this approach would be sending the ANSE staff abroad for the appropriate training, i.e., substituting long term participant training for less technical assistance. This approach has several disadvantages:

First, the ANSE staff is more in need of practical experience supported by technical advice of a problem solving nature, than of additional academic training. It is expected that exposing the ANSE staff to a variety of technical expertise and specialists as proposed by the Project, will produce deeper understanding and a broader perspective in their assigned areas of specialization. Second, sending ANSE staff overseas for long periods of study would reduce Project staff and would seriously set back sector analysis activities in the DR. Third, few of the ANSE staff are proficient in a foreign language. Further, there are few educational institutions that offer comprehensive specialized programs in the areas in which the Dominican personnel require training.

B. Institutional Analysis

The Agricultural Sector Analysis, Phase II (ANSE II) Project operates under the administrative jurisdiction of the GODR's Secretariat of State of Agriculture (SEA). The responsibility for agricultural planning in general, including sector analysis activities, rests with the Under-Secretariat of Sectorial Planning (SEAPLAN). Most of the Project's sector analysis activities are undertaken by two departments within SEAPLAN: Agriculture Economics, and Statistical Information and Computer Services. The specific units that are involved in sector analysis activities and will implement the ANSE II Project are:

- The Office of Sector Analysis, attached directly to the Subsecretary, as an advisory unit.
- Division of Statistics, Department of Agriculture Economics.
- Computer Center, Department of Statistical Information and Computer Services.
- Farm Management Unit, Department of Agriculture Economics.
- Data Bank and Documentation Center, Department of Statistical Information and Computer Services.

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There were a number of reorganizations within SEA during the life of the first phase project. Several affected the organizational structure within which ANSE works. Generally, each change resulted in a more favorable environment for effective sector analysis activities.

The GODR is currently contemplating further evolutionary changes in the organization of its agricultural agencies. The plan encompasses organizational changes both within SEA and between SEA and other agencies with agriculturally related activities. Many of the changes within SEA have already taken place. The relationships between SEA and other agencies, if and when they occur, will enhance SEA's coordination role and will not appreciably affect the various offices involved in sector analysis work. It is expected that, for the foreseeable future, these offices - the Sector Analysis Office, the Computer Center, and the Statistics Division - will continue to have the same functions and the same staff. Thus organizational changes that may occur in SEA in the foreseeable future are not expected to impede the organizational ability to carry out the activities to be financed under the Project. The organizational charts in Annex III and the narrative below describe the current institutional environment of the ANSE Project.

1.- Office of Sector Analysis

A critical link in the chain of data collection, processing, analysis, and formulation of policy to affect the rural poor, is the analysis of data within the context of eventually designing programs and policies directed toward improving their level of living. The Office of Sector Analysis will be responsible for integrating and analyzing the data generated by all of the studies and surveys contemplated by this project. This Office will also participate in the designing of the questionnaires and the preparation of table specifications.

Its present staff consists of a project coordinator (economist, ABD), a section-leader (economist, MA), one technician (sociologist, MA), and one assistant statistician (AA equivalent). This staff is assisted by a Dominican Project Advisor (agricultural economist, PhD).

In addition, SEA has assigned part-time personnel to different project elements. The Computer and Statistical Information Center has committed two senior programmers and an advisor on computer system analysis to meet ANSE computer programming and system demands.

Further, these technicians are continuously organizing and implementing training activities in project-specific software application (e.g.: CENTIS and HAVERLY/MAGEN). The Statistics Division, Department of Agricultural Economics, has assigned two survey technicians to ANSE related activities.

2.- Statistics and Farm Management Divisions

The sample design and selection, questionnaire design and testing, interviewer training, field interviewing and data coding and editing for the Farm Survey will be implemented by the Statistics and Farm Management Divisions of the Agricultural Economics Department. These two divisions have 34 Agricultural Engineers, 8 Economics Licenciates, and 13 middle-level technicians.

The staff of these two divisions have had previous experience, gained since the first quarterly survey was enumerated in 1973, in using the area frame for collecting agricultural and livestock statistics, as well as carrying out numerous production studies in smaller, more concentrated areas. Most pertinent to this project, these divisions' personnel provided the field support for the 1976 CPS.

Partly because of its location within SEAPLAN, and the continued assistance which USAID/DR/IICA's technical assistance in statistics and marketing, and the Inter American Development Bank's PIDAGRO Project have provided to strengthen the capacity of the Agriculture Economics Department in general, and these two divisions in particular, it is felt that they are well qualified to carry out the 1979 Farm Survey. Their exposure to the different methodologies utilized in both the CPS 76 and the Quarterly Crop Production Survey, have created the necessary institutional prerequisites for an effective technological transfer.

3.- Department of Statistical Information and Computer Services

Through the support of USAID/DK, and its Agricultural Sector Loan II (PPA II), the previously overstaffed, underutilized SEA computer center has evolved into a modern institution. This now active information processing system exchanged its obsolete hardware for a more advance IBM 370-115-00/DOS/V5 160 K, and is now in the process of improving its configuration with two tape drives, "floppy" disk units, and added core capacity.

Under PPA II auspices, the Department has recently added an Agricultural Data Bank and Documentation Center to what used

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to be its sole unit, the Data Processing Center. The Center itself has changed its role from one narrowly defined in terms of administrative tasks (e.g. payroll processing, general accounting, etc.) to one of research (e.g. statistical analysis, L.P. modelling, econometric applications, processing of large data bases). It is now capable of providing its services to other GODR entities both within and outside the agricultural sector.

The Data Processing Center will be the unit in charge of the preparation of table specifications, questionnaire coding, machine data editing, programming and production of tables required for analysis. It will be also responsible for the purchase, cataloguing and accessing of different programs needed for data analysis, such as BMD, SAS, and when future hardware configuration allows it, SPSS, and similar OS software packages.

The Center's qualified staff and low personnel turnover provide the appropriate environment for an effective technological transfer. Its basic staff is formed by: 1 senior systems analyst; 4 system analysts; 8 programmers; 3 computer operators; 16 key punching operators; and 4 data control technicians.

Although the data processing for CPS 76 was one of the activities implemented under ANSE I, little technological transfer took place. Nevertheless, due to the successful processing of the Quarterly Survey Data and the Center's everyday application of programming tools like CENTS, it is judged that this unit should be the one to process the data for the Farm Survey 1979. Thus, it will not only provide readily accessible information within SEA, but also fill in the training and experience gaps in technological transfer that inevitable occurred due to processing of CPS 76 in Washington.

4.- Implementation Capability

In the past, the lack of adequate qualified technical personnel, aggravated by numerous turnovers in SEA's higher echelon technicians, have been the primary obstacles to carrying out sector analysis work and to institutionalizing sector analysis processes. The various offices involved in the Project now have larger and more well qualified staff. Continuity in the services of a majority of the technicians is a necessary condition for achieving the Project purpose of institutionalizing sector analysis in SEA.

There are several reasons for expecting reduced turnover in Sector Analysis staff. During the last year the GODR, at the highest

levels, has been promoting more systematic planning and budgeting procedures. People in sector analysis and other planning activities are able to more actively contribute to their government. Their increased influence is associated with increased prestige, as well as increased staff and budget resources.

SEA has initiated several personnel policies which are expected to lead to a more stable personnel system. Due to a recently installed new personnel payroll system SEA employees do not have to scramble for several "part time" government jobs. The office of Sector Analysis is now more able to reject less qualified job candidates foisted on it by friends of elites. The Office of Sector Analysis is systematically bringing together a group of carefully chosen, well qualified people who are more likely to continue in government service.

All of the above factors are expected to result in lower personnel turnover rates in general, and in more continuity in the offices involved in sector analysis activities.

One aspect of the second phase project will reduce the reliance on continuity of staff within the Office of Sector Analysis itself. The first phase project concentrated on creating technical absorptive capacity with SEA's planning units. Other offices and agricultural agencies were not included in sector analysis activities. ANSE II will organizationally broaden its activities by including the participation of other agencies, especially in the training courses and information dissemination activities. The explicit inclusion of technicians assigned to the Farm Management Division will provide a basis for wider application of data gathering and analysis methods. An effort will be made to include universities, both faculty and promising students, in order to identify additional resource persons and to increase the supply of capable technicians. With more Dominican agencies and institutions understanding and contributing to sector analysis work, the institutionalization goal will not need to rely as heavily on the continuity of the staff of the Office of Sector Analysis.

5.- Project Outputs and Policy Decisions

The generation and analysis of planning information generated by the Project encompass only a portion of the total technical/political decision making process. While the Project's role in this process is advisory, its outputs are expected to be used widely in the formulation of agriculture sector policy alternatives.

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The Project will provide a source of more reliable, up-to-date information about policy alternatives for the agriculture sector in general and specifically about Dominican small farmers and the rural poor. The Project's outputs are incorporated into the decision making process in a number of ways. The Project personnel are closely linked to the Undersecretary of Planning who is instrumental in a wide range of formal and ad hoc activities dealing with all aspects of agriculture policy and budgets. ANSE's leadership also frequently communicates with other decision makers and operational officials, directly and indirectly, through informal meetings, workshops, seminars and written communications such as memoranda and summaries of specific policy studies.

The Project will encourage the cooperation of the planning and operational staffs of other institutions in such a way that improved communication among them in carrying out specific studies will facilitate the formulation of relevant policy options.

In summary, the Project performs a key advisory role in the policy making process. That is, it supplies planning information to facilitate decisions. To the extent that it supplies accurate and timely information, the Project can indeed help shape the policy-maker's future demand for Project outputs (if not his willingness to utilize them in making policy decisions). In any event, the Project outputs will continue to help educate the political and administrative leadership in the causes and effects of rural poverty and to help bridge the gap between analysis, policy decisions, and program implementation.

C. Financial Plan

The total cost of the 18-month Grant Project is estimated at \$500,000, of which AID will contribute \$300,000 and the GODR will contribute \$200,000.

The AID Grant will finance the entire US dollar costs of the project, estimated at \$267,000, as well as an estimated US dollar equivalent of \$33,000 in local currency. USAID will grant finance approximately 60% of the total project costs. The GODR contribution will consist entirely of local currency costs and will be provided from funds allocated to SEA by the Central Government. The life of the Project is 18 months.

During the period between the date of the last disbursement under the first phase project and the authorization of the second

phase project, limited technical services are being provided to SEA in order to provide continuity of support to its on-going sector analysis work. These services are funded by BUCEN, USDA, and AID/W's LAC/DR office with the understanding that they will be reimbursed by the Project when it is authorized. Thus, the project agreement should provide for reimbursement of direct project costs incurred prior to authorization.

Procurement of technical services from BUCEN and USDA will be through Participating Agency Service Agreements (PASAs). A detailed description of the technical assistance is found in Part IV.B.

The tables on the following pages present the financial plan and budget tables.

D. Social Soundness Analysis

1.- Social-cultural feasibility

The Project's "Conceptual Framework" (Annex II) depicts the technical and political environment within which the Project's inputs are transformed into the achievement of outputs, purpose and goal. Within this environment three factors are critical to the achievement of the Project's goals: (1) reliable up-to-date information can be obtained, (2) decision-makers will use the results of the analyses in their decision making processes, and (3) the target group will coordinate with and participate in the new policies and programs arising from the more systematic planning process.

A key factor in obtaining reliable information of the type to be gathered by the activities planned under this project is the responsiveness of the information supplier, i.e., the campesino. The Dominican campesino population is relatively homogeneous. The ANSE Phase I experience with the types of data gathering activities to be undertaken under the Project indicate that, from a socio-cultural point of view, it is possible to obtain the necessary information.

The recently elected government leadership has moved in the direction of (a) more systematic and decentralized planning and budgeting, (b) more precise definition and delimitation of agency responsibilities, and (c) better interagency policy and program coordination. Within this new environment decision makers are able to interact with technicians and obtain the information necessary to carry alternative policy considerations into the political decision making process. The GODR's current priority on more

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TABLE A

Summary Cost Estimate^{2/}

(Thousands of US\$ or RD\$)

	AID		GODR		Total	
	US\$	RD\$	US\$	RD\$	US\$	RD\$
GODR Personnel	-	-	-	121	-	121
Technical Assistance ^{1/}	245	30	-	-	245	30
Training ^{1/}	7	0	-	3	7	3
Computer Costs	-	-	-	30	-	30
Commodities	3	-	-	-	3	-
Info Dissemination	2	1	-	25	2	26
Subtotal	257	31	-	179	257	210
Contingency	10	2	-	21	10	33
Total	267	33	-	200	267	233
Total (US\$ + RD\$)	300		200		500	

^{1/} \$29,000 of technical assistance (a consultant) to prepare and present training courses is included in technical assistance rather than in training.

^{2/} In addition to the costs set forth in this Table the GODR will provide general logistical support (office space, secretaries, survey enumerators, computer programmers, systems analysts and key punchers, etc.). This assistance will be generally of an intermittent short-term nature. AID's Agriculture Sector Loan II partially funds some of these costs.

TABLE B

Estimated Cost of AID Funded Technical Assistance

Item	Person-Months			Cost (US\$000)			Total
	Total	U.S.	D.R.	Personnel/	Travel	Other	
USDA ^{3/}	23.0	8.5	14.5	94	20	17 ^{2/}	131
BUCEN	12.0	5.0	7.0	55	14	-	69
Res.Tech.	18.0	-	18.0	75	-	-	75
Total	53.0	13.5	39.0	224	34	17	275

1/ Includes normal overhead: USDA at 25% and BUCEN at 84%.

2/ Specific support costs not included in normal overhead.

3/ A portion of this USDA technical assistance is specifically allocated for training in Economic Analysis Techniques: (5 person-months, \$29,000).

TABLE C

Estimated Cost of CODR/ANSE Staff Training in U.S.

Air Fare: 6 person x \$333	= US\$ 2,000
Per Diem: 6 person x 16 days x \$50	= <u>5,000*</u>
Total	US\$ 7,000

* Rounded to nearest thousand.

TABLE D

Projection of Expenditures by U.S. Fiscal Year
(US\$000)

Fiscal Year	AID	CODR	Total
1979	120	100	220
1980	168	79	247
Contingency	12	21	33
Total	300	200	500

TABLE E

Project Contribution by Input and Component

(Thousands of US\$ and RD\$)

	Economic Analyses	Ag Sector Model	1979 Farm Survey Data	Total
<u>AID</u>				
Technical Assistance ^{1/}	124 ^{2/}	57	94	275
Training	1	3	3	7
Commodities	3	-	-	3
Info Dissemination	1	1	1	3
Miscellaneous	5	2	5	12
Subtotal	134	63	103	300
<u>GODR</u>				
GODR Personnel	59	30	32	121
Training	1	1	1	3
Computer Costs	5	10	15	30
Commodities	-	-	-	-
Info Dissemination	10	5	10	25
Miscellaneous	8	6	7	21
Subtotal	83	52	65	200
Grand Total	217	115	168	500

^{1/} Project Manager: \$75,000 for 18 person-months is allocated as follows: 33, 17 and 25 thousand.

^{2/} \$29,000 from the TA budget is for providing training courses in analytical techniques.

systematic planning, and its willingness to act on recommendations for significant changes in agriculture sector policies, have been demonstrated during the past year. Given the GODR's necessity to more efficiently allocate resources in the face of worsening economic conditions, this trend is expected to continue. The Mission believes that the ANSE II Project's outputs will have a positive influence on agriculture sector policies. Improvements during ANSE II in the quality of information and analysis on which policy recommendations are made will reinforce the tendency of decision makers to consider the results of sector analysis techniques in their decision making process.

No major obstacles to the target group's acceptance of policy changes or participation in improved programs are expected. In the past the target group has shown willingness to follow appropriate changes in policies, to adopt new technology, to cooperate in land tenure programs, or to modify social organizations to accomplish specific goals.

2.- Benefit Incidence

Two groups will be the primary beneficiaries of this project. First, the Project is expected to increase the GODR's capability to identify problems of the small farmer and to design and plan policies and programs which will alleviate them. Much of the information generated by the Project will be quite relevant to the formulation of government actions to help the target group, e.g., more labor intensive production among rural families, potentials for more profitable exploitation of credit, increased productivity through improved resource allocation, etc. The target group is expected to benefit from the translation of Project outputs into policies and programs which improve their access to resources and productive opportunities.

Second, the Project focuses directly on improving the capabilities of agriculture sector personnel to use data and analytical tools to improve the formulation of objectives and strategies for GODR programs of benefit to small farmers in a way that more closely reflects the needs of the population.

In addition to the Project's quantifiable economic benefits discussed in the next section, (i.e., increases in agriculture productivity and production), it also encompasses qualitative economic benefits. The stress of the Project's analytical activities on studying issues affecting the small farmer endows it with an equity component. The Project's expected income distribution effects are, however, difficult to assess.

- 34 -

SEA's own commitment to the AID target group has recently been expressed in speeches by the Secretary of Agriculture and is also documented in the objectives set forth in SEA's "Plan Operativo".

- Increase income distribution and reduce poor family indebtedness;
- Modify land holdings to insure minimal levels of income and food consumption;
- Increase labor utilization by 25%;
- Increase the supply of domestic production for basic consumption.

The 1975-76 Farm Survey conducted by ANSE I provided the first comprehensive data on the farm population in the Dominican Republic and was the source of information to compile a small farmer profile. The proposed 1979 Survey will provide a point of comparison to measure the impact of GODR and AID-assisted projects in the target group.

ANSE II will seek to improve the linkage between the Project's outputs and its impact on the intended rural beneficiaries. Several information dissemination activities are planned: (1) disseminate project outputs, data and information to the rest of the SEA organization, especially through interaction with the Economic Analysis, Farm Management and Extension units; (2) provide for more extensive use of project outputs by program implementing agencies.

E. Economic Feasibility

The purpose of the Project is to establish the capability within SEA to identify farm problems and agriculture policy issues, collect and process relevant and reliable information, formulate policy alternatives and analyze the associated impacts, and produce documented information which summarizes the results of analyzes and presents policy guidance for decision makers. The only tangible indicators of that institutionalized capability will be analytical reports on policy alternatives and policy and program recommendations. Regardless of how useful such activities are to policy planners and the rest of the economy, they will produce no direct economic payoff per se. The success of the Project will be reflected in the extent to which it influences agricultural policies and the reallocation of resources to more effectively and efficiently achieve agriculture sector objectives. Thus, there is no means of realistically quantifying the Project's ultimate impact, i.e., its economic benefits.

Although benefits cannot be quantified, the Project does have the potential of producing an acceptable economic rate of return to the DR economy. Indeed, the potential payoff is quite large. For example, if the Project's activities resulted in a cumulative increase in agricultural production of a modest one tenth of one percent by 1985, the incremental income from that one year alone would greatly surpass total Project costs.

F. Environmental Analysis

Since the Project's purpose is to institutionalize within SEA the capacity to collect and analyze data and to formulate sector strategies and policies based upon them it will have no adverse impact upon the environment. An Initial Environmental Examination (IEE) was submitted with the PID. On December 20, 1978 the Assistant Administrator of the Bureau for Latin America and the Caribbean issued a "Negative Determination".

PART IV: IMPLEMENTATION ARRANGEMENTS

A. GODR and AID Responsibilities

1.- GODR Responsibilities

The Project will operate under the guidance and direction of the GODR's Secretariat of State for Agriculture (SEA). In addition to a Project Coordinator and the statistical and analytical personnel in the Sector Analysis Unit, SEA will provide the services of the Computer Center and Data Bank and the personnel required for the Farm Survey. SEA will also provide office space, secretarial services, and transportation and per diem related to the in-country field work of the above mentioned personnel.

The Sector Analysis group, in collaboration with USAID/DR, will be responsible for carrying out the Implementation Plan, printing and distributing the results of the economic analyses, and participating in the Project's final evaluation.

The details of specific responsibilities within SEA are described in Part III.B., Institutional Analysis.

2.- AID Responsibilities

The first phase sector analysis project was funded and managed by AID/W. In accordance with the original plan, AID's

participation in ANSE II will be funded by USAID/DR and managed by USAID/DR's Office of Agriculture. AID management will require approximately the quarter-time work of a direct hire Project Officer. In addition to the Project Officer, USAID/DR will obtain the services of a full-time resident project manager who will assist SEA in all the project activities. (The resident project manager's role is further described in Part II.B.3.d.) USAID will monitor project activities and will arrange for the procurement of technical assistance and grant funded commodities, and fund and make the arrangements for on-the-job training of Dominican ANSE staff in the US.

AID/W's LAC/DR office will, from time to time, be called upon to provide administrative backstopping and to assist in the coordination of activities with USDA and BUCEN.

B. Technical Assistance

The first phase ANSE Project introduced sector analysis methods to SEA by implementing a program of data collection, processing, and analyses, ANSE I's emphasis was on producing the edited data and publishing statistical and methodological documents. The management and implementation of ANSE I activities were generally dominated by US "advisors", with limited substantive participation by Dominican technicians. The purpose of ANSE II is to strengthen SEA's own capability to carry out sector analysis work. Thus, the emphasis of ANSE II will be to provide technical advisors to support SEA's own sector analysis activities. The objectives of the technical assistance is to backstop the Dominican ANSE staff in the DR as they manage and implement the planned activities.

The following list describes the type of tasks, listed by activity, for which short-term technical assistance is anticipated. Annex IV is a chart which graphically depicts these tasks. USAID/DR will enter into Participating Agency Service Agreements (PASAs) with the USDA and the BUCEN to obtain these services.

- 1.- Economic Analyses (To be provided by USDA)
 - Rural income distribution
 - Impact of technology change in crop production
 - Agricultural commodity price policy
 - Farm level analyses, including farm budgeting, seminars, documents for extension work
 - Courses in use of statistical and econometric computer software
 - Designing computer work files for economic analyses

- Produce a sector data summary document, including summary reports about resource availability, production technology and systems, foreign exchange and agricultural production, and agricultural markets for inputs and products
- 2.- Agricultural Sector Model (To be provided by USDA)
- Review of model performance and data consistency
 - Methodology document
 - Credit and price policy analyses and a summary document
- 3.- 1979 Farm Survey (To be provided by BUCEN)
- Design and document sample
 - Write edit specifications
 - Program edit
 - Write edit manual
 - Establish questionnaire check-in procedures
 - Monitor edit
 - Review interviewer and supervisor manuals and design training program
 - Monitor Training
 - Write special computer programs
 - Calculate sample variance, weights, and non-interview readjustment

C. Implementation Plan

The Project will be carried out during an 18-month period which includes a small amount of technical assistance for some activities prior to project authorization. The project authorization shall provide for reimbursement of these technical advisor services which were provided by BUCEN. All activities will be completed and all disbursements made by the end of FY 80. A schedule of major events follows:

Date	Event
a.- General	
April 1979	AID authorization of Project
May 1979	Project Agreement signed
b.- Project Activities/Outputs	

<u>Date</u>	<u>Event</u>
By June 1979	an analytical document on key income characteristics and identification of the rural poor profile in farms between 0.5 and 5 has.
September 1979	enumeration work for FS 79 will be concluded
July 1979	an analytical document on the Agricultural Production Process with a detailed coverage of small farm production practices and constraints identification
By September 1979	a credit document covering the main effects of different credit programs on farm activities, including its effect on labor absorption, technological level and estimates of transaction costs
By September 1979	linear programming tool will start supplying analyses of different agricultural policies with special emphasis of their effects on the incomes of farms with less than 5 hectares
By October 1979	preliminary document on the estimation of price and income elasticities
By February 1980	edited FS 79 Survey tape
By March 1980	an income distribution publication analyzing family earnings
By June-July 1980	crop, farm and income work files designed and compiled
	A series of studies analyzing the results from the 1976 Cost of Production Survey and the 1979 Farm Survey

D. Evaluation Plan

The evaluation of the first phase sector analysis project was useful not only for assessing progress towards goals, but also for formulating more clearly future plans and directions. The ANSE II Project is expected to undergo an evaluation towards the end of its implementation period.

To evaluate the progress of ANSE II in achieving its purpose the evaluation shall include the following criteria and considerations:

1.- Assessment of progress achieved in strengthening the data collection, processing and analysis capability of SEA. This will include a determination of the degree to which the Dominican ANSE staff have participated in the production of the Project's outputs;

2.- Actual use of the data and analyses developed by the Project;

3.- Dissemination of the research results in published form and through seminars with individuals and organizations concerned with agricultural development; and

4.- Assessment by policy makers of the usefulness of the outputs for the purposes for which they are designed.

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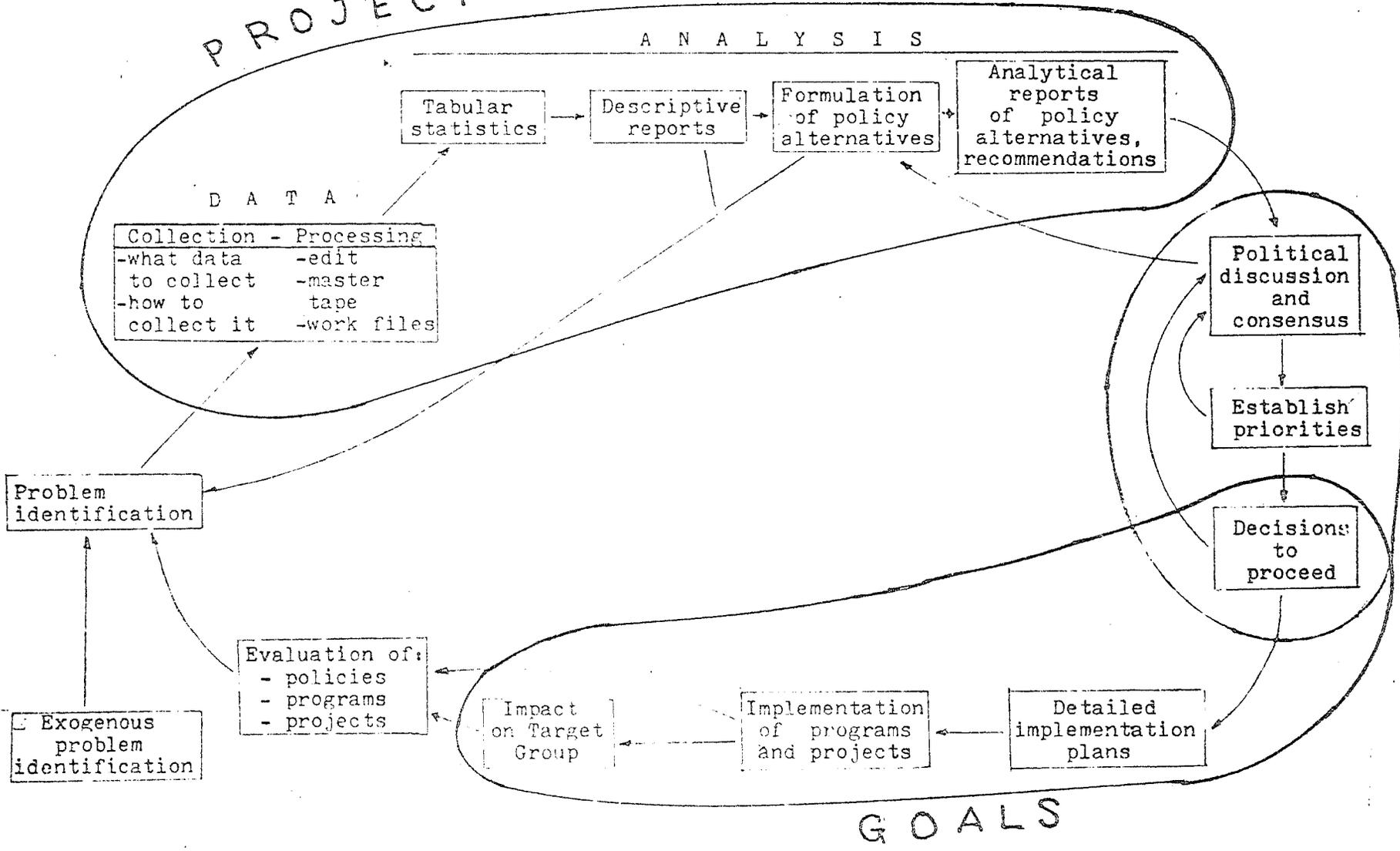
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LOGICAL FRAMEWORK MATRIX - PROP WORKSHEET

Summary	Objectively Verifiable Indicators	Important Assumptions																																																															
<p>A.1. Goal Formulation of improved agricultural sector objectives, policies, and resource allocation for increasing agricultural production and small farmer income.</p>	<p>A.2. Measurement of Goal Achievement New and revised policies and programs that are more effective and/or efficient in attaining stated sectorial objectives. Improvement in quality of rural life in the longer term.</p>	<p>A.3. (as related to goal) Willingness of GODR policy makers to utilize results of more systematic planning techniques and procedures.</p>																																																															
<p>B.1. Purpose To establish the capability within SEA to carry out agriculture sector analysis activities on a continuing basis.</p>	<p>B.2. End of Project Status SEA will have the internal capability to identify farm problems and agriculture policy issues, collect and process relevant and reliable information, formulate policy alternatives and analyze the associated impacts, and produce documented information which summarizes the results of analyses and presents relevant planning information to policy makers.</p>	<p>B.3. (as related to purpose) Continued emphasis on more systematic planning. Continued support of ag sector analysis efforts. Continuity in ANSE staff.</p>																																																															
<p>C.1. Outputs The ANSE group, with technical assistance, produce: 1) Planning information summarizing farm management, rural development and agriculture sector problems, issues, and alternative policies and programs. 2) Ag sector model in form that can be used for policy analyses when called upon. 3) A final edited data tape of 1979 farm survey, correlated with other farm management information.</p>	<p>C.2. Output indicators 1) Reports on such topics as: cereals production, geographical distribution of crop production, crop yields, production characteristics incl. mechanization, credit, income distribution, summary of all statistical working documents. 2) Documentation of sector model's structure, operation, and capability, and results of some policy analyses. 3) Useable data tape.</p>	<p>C.3. (as related to outputs) Staff able to devote specified time to activities. Consultants arrive when needed. Continuity in Project leadership.</p>																																																															
<p>D.1. Inputs</p> <table border="1" data-bbox="21 1266 619 1591"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Budget (US\$)</th> <th colspan="5">Persons-months</th> </tr> <tr> <th>GODR</th> <th>AID</th> <th>Int. Analysis</th> <th>Model Phase-out</th> <th>1979 Survey</th> <th>DR</th> <th>US</th> </tr> </thead> <tbody> <tr> <td>GODR Staff</td> <td>203</td> <td>0</td> <td>79</td> <td>31</td> <td>130</td> <td>237</td> <td>3</td> </tr> <tr> <td>Technical Assistance</td> <td>0</td> <td>275,000</td> <td>23</td> <td>11</td> <td>12</td> <td>40</td> <td>13</td> </tr> <tr> <td>Training</td> <td>3</td> <td>7,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Commodities</td> <td>0</td> <td>3,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td>64</td> <td>15,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Totals</td> <td>270</td> <td>300,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Budget (US\$)		Persons-months					GODR	AID	Int. Analysis	Model Phase-out	1979 Survey	DR	US	GODR Staff	203	0	79	31	130	237	3	Technical Assistance	0	275,000	23	11	12	40	13	Training	3	7,000						Commodities	0	3,000						Other	64	15,000						Totals	270	300,000							<p>D.3. (as related to inputs)</p>
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Totals	270	300,000																																																															

CONCEPTUAL FRAMEWORK
Agriculture Sector Analysis Project

PROJECT ACTIVITIES

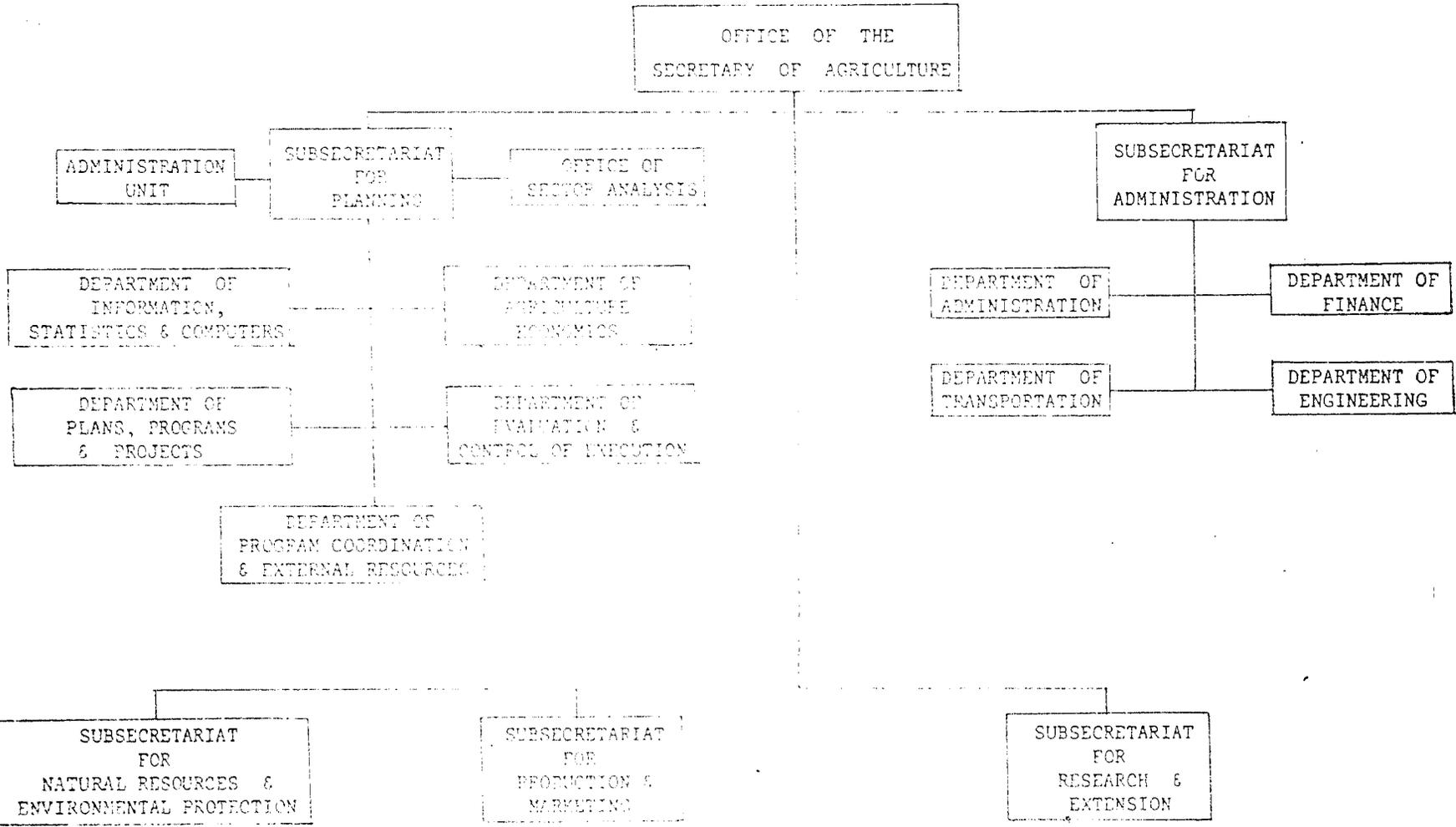


POLITICAL PROCESS

ANNEX II

GOALS

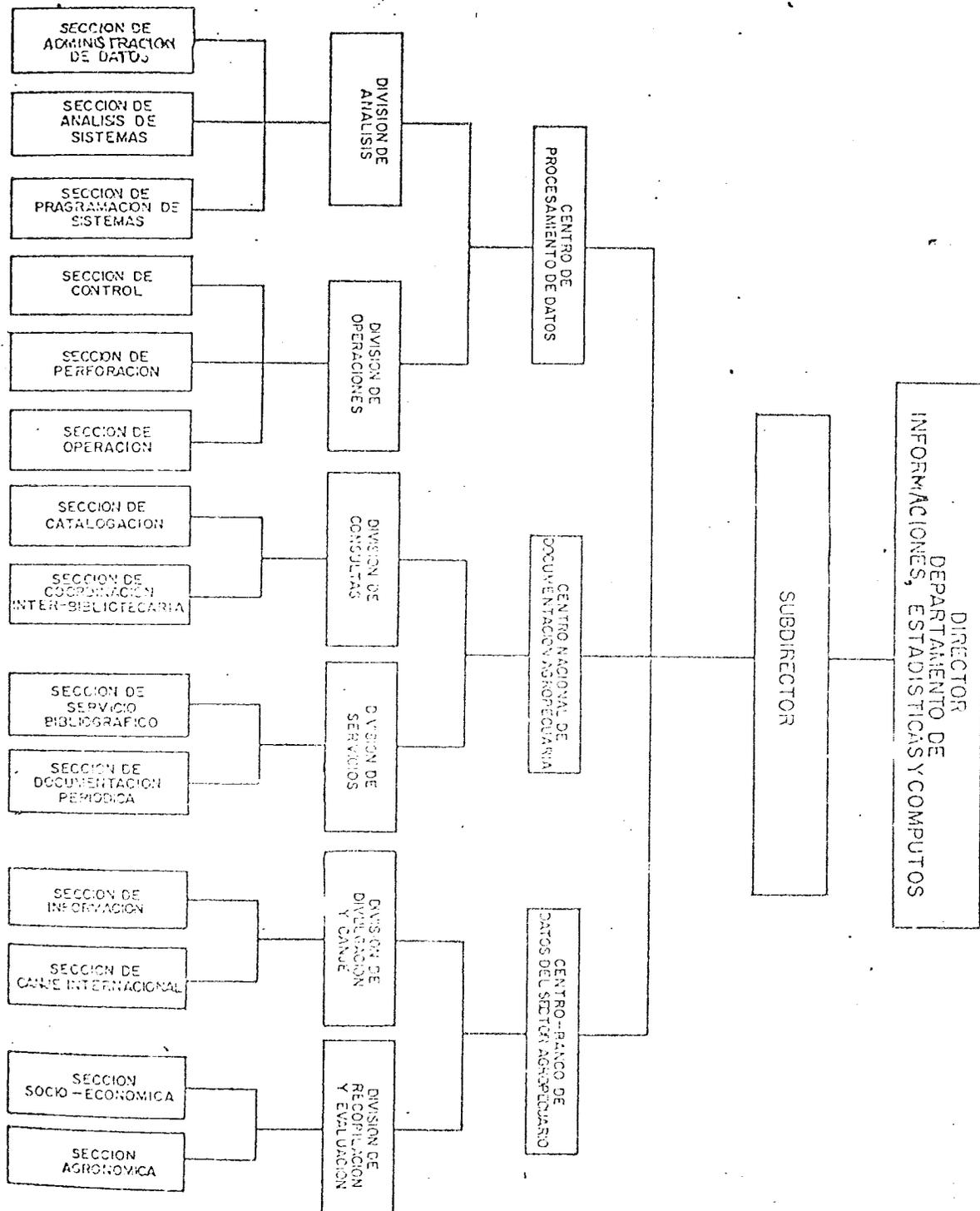
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ORGANIZATION CHART

DEPARTMENT OF INFORMATION, STATISTICS AND COMPUTERS

Secretariat of Agriculture, Dominican Republic



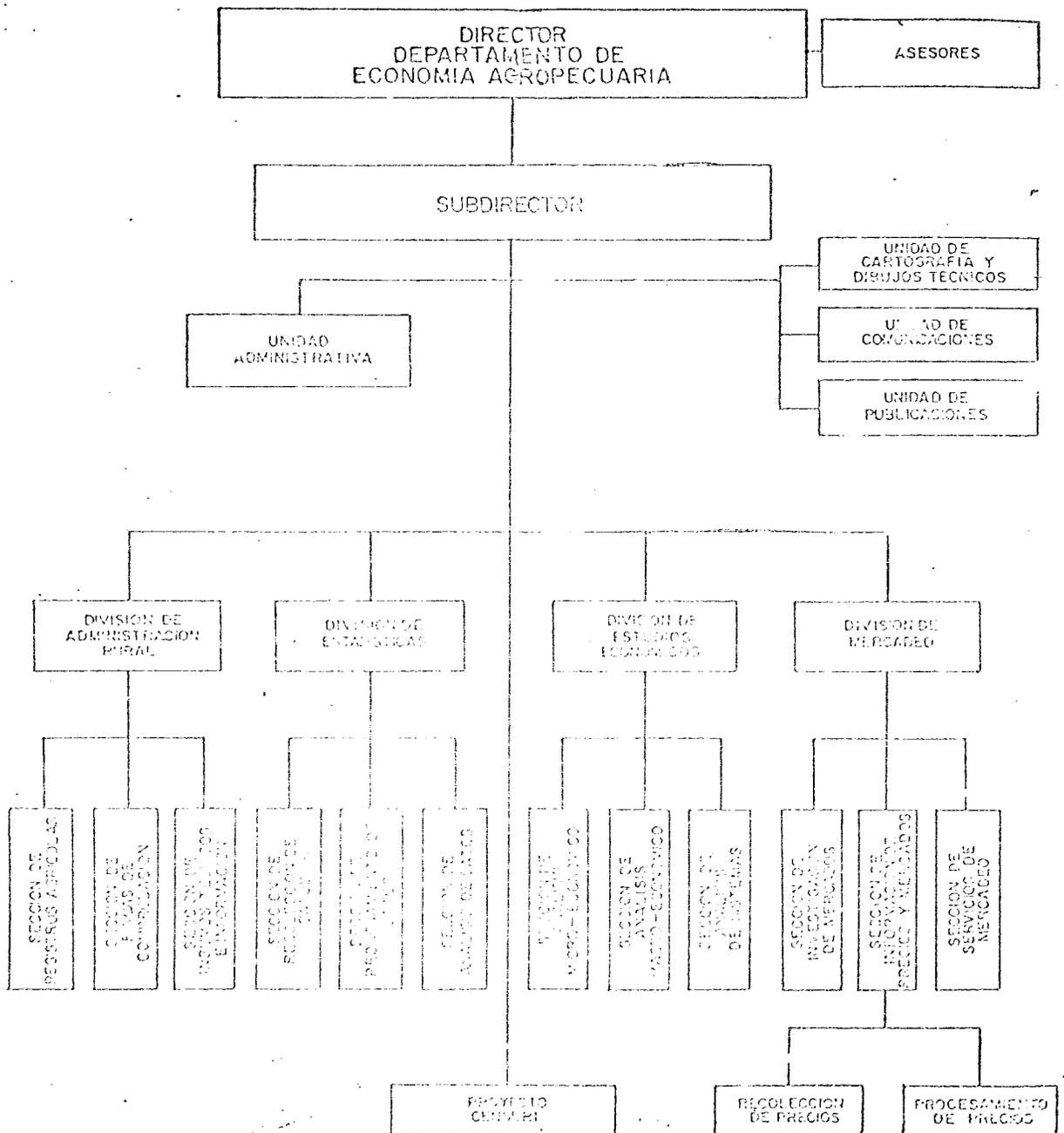
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ANNEX III

ORGANIZATION CHART

DEPARTMENT OF AGRICULTURE ECONOMICS

Secretariate of Agriculture, Dominican Republic



5/50

SCHEDULE OF PROJECT ACTIVITIES
Agriculture Sector Analysis Project, Phase II

Activity	1979												1980								
	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9			
ANALYSES																					
Impact of technology	-----																				
Credit				-----																	
Farm level (budget) analyses	-----			-----			-----						-----								
Income distribution										-----											
Price policies													-----								
Analytical techniques workshops	-----			-----			-----						-----								
Summary data document(s)				-----																	
MODEL																					
Model development	-----																				
Model analysis of agr'l sector	-----			-----			-----						-----								
1979 FARM SURVEY																					
Preparation	-----																				
Survey				-----																	
Data processing										-----											

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ANNEX V

List of Documents, Reports, and Other Information about ANSE I and II Available in USAID/DR Project Files

- 1.- A Proposal For An Agricultural Sector Analysis Project in the Dominican Republic, Sector Analysis Division, LA/DR, 10/75
2. Summary of Events in the Development of the Sector Analysis Project, Hunt Howell, 1/78
3. Policy Issues for Sector Analysis Model, E.Erickson, February 24/78
4. An Evaluation of the Agriculture Sector Analysis Project in the Dominican Republic, Sandra K. Rowland, 5/8/78
5. The Sector Analysis Project: An Institutional Overview, Felipe P. Manteiga, 8/15/78
6. Dominican Republic Agriculture Sector Modeling: Status Report and Information for the Evaluation, R. House, 1/15/79
7. Role of Model Based Planning in the DR Status Report of MODRAG/CEMI, January 1979
8. Project Evaluation Summary, Agricultural Sector Analysis, Phase I, 2/12/79

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I N C O M I N
TELEGRAM

ANNEX VI

AMEMBASSY SANTO DOMINGO

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BT
UNCLAS STATE 317684

MRN *317384*

DATE: DEC 18 1978

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TAGS:

SUBJECT: DAEC REVIEW - DOMINICAN REPUBLIC RURAL DEVELOPMENT ANALYSIS AND PLANNING PROJECT - 517-0117

Project Paper
References
By Chapter.Section

1. THE DAEC REVIEWED PID ON SUBJECT PROJECT ON DECEMBER 1 AND APPROVED THE BASIC ACTIVITIES PROPOSED. HOWEVER, IT WAS MUTUALLY AGREED THAT THE MISSION WOULD EXPLORE WITH THE GODR THE POSSIBILITY OF LOAN FUNDING ALL OR PART OF THE PROJECT AS AN ADD-ON TO THE AG SECTOR II LOAN FOR THE FOLLOWING REASONS:

II.A

-- A. THE PURPOSE OF THIS PROJECT HAS BEEN DESCRIBED AS INTERNALIZATION OF AG PLANNING ACTIVITIES WITHIN THE SECRETARIAT OF AGRICULTURE (SEA). A STRONG INDICATION OF GODR WILLINGNESS TO SUPPORT THIS FUNCTION AND INSTITUTIONALIZE A PLANNING CAPABILITY WOULD BE ACCEPTANCE OF THE PROPOSED ASSISTANCE ON A LOAN FUNDED BASIS. GRANT FUNDING MIGHT BE APPROPRIATE FOR SOME ACTIVITIES HOWEVER, PARTICULARLY THOSE WHICH ARE PREDOMINANTLY RELEVANT TO MISSION CONCERNS.

II.A

-- B. THE ACTIVITIES PROPOSED UNDER THE PROJECT APPEAR TO BE COMPLEMENTARY TO THOSE OF THE AG PLANNING COMPONENT OF THE AG SECTOR II LOAN.

II.C.2

-- C. THE GODR HAS INDICATED A WILLINGNESS IN THE PAST TO ACCEPT LOAN FUNDED T.A. AND TRAINING FOR AG PLANNING ACTIVITIES AS EVIDENCED BY THE DOLS. 2.3 MILLION PLANNING COMPONENT OF THE AG SECTOR II LOAN.

2. CONCERN WAS EXPRESSED OVER HOW PROJECT OUTPUTS (ANALYTICAL DOCUMENT ON AG PRODUCTION PROCESSES; ANALYTICAL DOCUMENT ON KEY INCOME CHARACTERISTICS, ETC.) WILL LEAD TO THE INSTITUTIONALIZATION OF THE PLANNING FUNCTION WITHIN THE SEA, CONTRIBUTE TO POLICY CHANGES AND LEAD TO PROGRAM PLANNING. IN ADDITION, THERE WAS CONCERN ABOUT THE RELEVANCE AND IMPACT OF OUTPUTS ON THE TARGET GROUP. IN THIS REGARD, CONCERN WAS EXPRESSED AS TO HOW THE PROJECT WOULD BE STRUCTURED TO ADDRESS THE NEEDS OF THE LANDLESS, BOTH IN ANALYTICAL TERMS AND IN TERMS OF HOW ANALYSIS WOULD BE

II.A

III.D.2

II.C.2

III.A.2.a.iii

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TRANSFORMED INSTITUTIONALLY AND MANAGERIALLY INTO POLICIES, PROGRAMS AND PROJECTS. LINKAGE WITH THE NATIONAL EMPLOYMENT POLICY PROJECT WAS DISCUSSED AND SHOULD BE ADDRESSED IN THE PP. THE PP SHOULD ASSESS KEY SECTOR PROBLEMS AND (A) ASSURE THAT THE PROJECT ACTIVITIES ARE RESPONSIVE TO IDENTIFIED PROBLEMS FOR WHICH THE GODR IS ACTIVELY SEEKING CONCRETE SOLUTIONS; AND (B) ASCERTAIN IF PROBABLE SOLUTIONS ARE LIKELY TO BE ADOPTED BY THE GODR AND DETERMINE, TO THE EXTENT POSSIBLE, WHETHER THEY WILL HAVE A DESIRABLE IMPACT ON AID'S TARGET GROUP. IT MIGHT BE USEFUL FOR MISSION TO QUERY AID/W'S OFFICE OF DEVELOPMENT INFORMATION AND UTILIZATION (DIU) TO OBTAIN INFORMATION ON OTHER PLANNING PROJECTS UNDERTAKEN BY THE AGENCY TO ESTABLISH MEANINGFUL INDICATORS OF PROJECT PERFORMANCE AND TO IDENTIFY CHARACTERISTICS OF AG PLANNING ACTIVITIES THAT OPTIMIZE CHANCES FOR PROJECT SUCCESS.

II.C.2

III.D.2

3. IT WAS AGREED THAT THE MISSION WOULD UNDERTAKE AN EXTENSIVE INSTITUTIONAL ANALYSIS OF SEA TO DETERMINE CAPABILITIES CURRENTLY IN PLACE, DEFICIENCIES THAT NEED TO BE ADDRESSED, AND IDENTIFY THE TYPES OF T.A. AND TRAINING REQUIRED TO STRENGTHEN THE AG PLANNING FUNCTION. IN PARTICULAR, PP SHOULD DETAIL RATIONALE FOR ON-THE-JOB RATHER THAN LONG TERM TRAINING WHERE IT APPEARS THAT LONG TERM TRAINING MAY BE MORE APPROPRIATE (E.G. SURVEY RESEARCH METHODS). PP SHOULD JUSTIFY LEVELS OF T.A. AND TRAINING AS BEING SUFFICIENT FOR ACHIEVING PROJECT OBJECTIVES.

III.B

I.C; IV.B

III.A.2.b

4. THE PP SHOULD INCORPORATE AND UTILIZE RESULTS OF THE UPCOMP G EVALUATION OF PHASE I OF THE PROJECT TO ASSURE THAT THE METHODOLOGICAL TOOLS (E.G. LINEAR PROGRAMMING) PROPOSED FOR PHASE II ARE COST EFFECTIVE AND APPROPRIATE GIVEN CURRENT AND PROJECTED LEVELS OF INSTITUTIONAL CAPABILITY.

II.B.3.b

III.A

5. THE PP SHOULD CLEARLY LAY OUT THE INSTITUTIONAL AND CONCEPTUAL LINKAGES BETWEEN THE TWO PROJECT COMPONENTS, I.E., BETWEEN SECTOR ANALYSIS AND PROJECT PLANNING AND PREPARATION.

The Project Planning and Preparation Component has been deleted.

6. THE PP SHOULD LAY OUT RELATIONSHIP OF THIS PROJECT TO OTHER MISSION PROJECTS, PARTICULARLY THE REGIONAL DECENTRALIZATION BEING SUPPORTED BY THE REPROGRAMMING OF AG SECTOR II. IN ADDITION, THE PP SHOULD DETAIL THE ROLE OF OTHER DONORS SUCH AS IICA AND HOW THEY IMPACT ON THE ACTIVITIES BEING UNDERTAKEN BY THIS PROJECT.

II.C.2

7. MISSION SHOULD PURSUE IDEA OF IMPLEMENTING PROJECT AS A TITLE XII PROJECT IN WHICH USDA WOULD BE THE PREDOMINANT TITLE XII INSTITUTION. AID/W SUPPORTIVE OF MISSION DESIRE TO MAINTAIN CONTINUITY OF USDA INVOLVEMENT IN PROJECT. CUSUMANO, LAC/DR/RD PREPARED TO ASSIST MISSION IN TITLE XII PROCEDURES.

8. IT WAS MUTUALLY AGREED THAT PLANS FOR THE INSTITUTIONAL REORGANIZATION OF THE SEA CURRENTLY IN PROGRESS WOULD BE COMPLETED PRIOR TO PP SUBMISSION SO THAT MISSION CAN GIVE ASSURANCES THAT THE NEW ORGANIZATION IS ABLE TO CARRY OUT THE ACTIVITIES TO BE FINANCED UNDER THE PROJECT. VANCE

III.B

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ANNEX VII
AID C&R

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R

REPUBLICA DOMINICANA

SECRETARIA DE ESTADO DE AGRICULTURA

"AÑO DEL NIÑO"

9416

Santo Domingo, D. N.

4 ABR. 1979

Mr. Patrick F. Morris
Director de la Agencia Internacional
para el Desarrollo de los Estados Unidos
en República Dominicana (AID)
Ciudad.-

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DIVISION

Estimado Señor Morris:

El Gobierno de la República Dominicana presidido por el Ciudadano Presidente Señor Antonio Guzmán Fernández, ha iniciado programas tendientes a mejorar las condiciones socioeconómicas del pequeño agricultor. En tal virtud, solicito al Gobierno de los Estados Unidos su colaboración para fortalecer la capacidad de planificación dentro de la Secretaría de Estado de Agricultura de manera que se hagan más eficaces los mecanismos que permitan lograr los objetivos enunciados.

Fortalecer la capacidad de planificación significa poder identificar mejor los problemas principales del Sector Agropecuario, reunir y procesar la información adecuada, formular políticas alternativas y analizar sus posibles impactos así como producir información documentada que pueda servir a los que intervienen en las decisiones políticas.

La colaboración solicitada se expresa principalmente con la provisión de algunos especialistas quienes laborarán junto a los técnicos de la Secretaría de Estado de Agricultura en sus respectivas áreas de conocimientos que se relacionan con los diferentes elementos del trabajo de Análisis Sectorial.

Entre estos elementos se encuentran los siguientes:

- 1.- Estudiar la política agrícola y alternativas de programas a través de los datos existentes incluyendo el uso de paquetes estadísticos en la computadora;
- 2.- Continuar el desarrollo del Modelo Sectorial que fue comenzado durante la primera fase para usarlo como herramienta adicional de análisis;

./..

3.- Llevar a cabo la encuesta a nivel de finca en este año.

Para la ejecución de este proyecto el Gobierno de la República Dominicana estará dispuesto a comprometer hasta la suma de RD\$200,000.00 (DOSCIENTOS MIL PESOS) para llevar a cabo el programa mencionado en un período de 18 meses conjuntamente con la contrapartida que desembolsaría AID durante la duración del proyecto.

Las tareas administrativas, de control financiero y de apoyo técnico serán ejecutadas por esta Secretaría a fin de lograr el éxito del proyecto. Asimismo la Secretaría de Agricultura hará el mayor esfuerzo por desarrollar la capacidad técnico-administrativa de manera que se dé continuidad a las tareas una vez finalizada esta segunda etapa del proyecto.

Con saludos de la más alta consideración y estima y esperando su mejor acogida, queda de usted,

Muy atentamente,



AGRON. R. HIPOLITO MEJIA D.,
Secretario de Estado de Agricultura

RHMD/f.

63/64

Certification Pursuant to Section 611 (e) of the Foreign Assistance
Act of 1961, as Amended

SUBJECT: Dominican Republic - Grant Project Assistance -
Agriculture Sector Analysis, Phase II Project

I, Patrick F. Morris, as Director of the United States A.I.D. Mission to the Dominican Republic, having taken into account, inter alia, the maintenance and utilization of projects in the Dominican Republic, previously financed or assisted by the United States, do hereby certify that, in my judgment, the Dominican Republic has both the financial capability and the human resources to maintain and utilize effectively the proposed Agriculture Sector Analysis, Phase II Project.

This judgment is based primarily on the facts developed in the project paper for the proposed grant of \$300,000 and A.I.D.'s review of the financial assistance previously provided to the Dominican Republic.



Patrick F. Morris
Mission Director

4/26/79

Date

65/66

ANNEX IX

PROJECT AUTHORIZATION

Name of Country/Entity: Dominican Republic/Secretariat of Agriculture

Name of Project : Agriculture Sector Analysis, Phase II

Number of Project : 517-0117

Pursuant to Part I, Chapter 1, Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Government of the Dominican Republic, of not to exceed three hundred thousand United States Dollars (US\$300,000.00) to help in financing certain foreign exchange and local currency costs of goods and services required for the project as described in the following paragraph.

The project (hereinafter referred to as the "Project") which is the second phase of an activity initiated under Project No. 517-55-140-059.1, consists of establishing within the Secretariat of State for Agriculture (SEA) the capability to identify farm problems and agriculture policy issues, collect and process relevant and reliable information, formulate policy alternatives and analyze the associated impacts, and produce documented information which summarizes the results of analyses and presents relevant planning information to policy makers.

I approve the total level of AID appropriated funding planned for this project of not to exceed three hundred thousand United States Dollars (US\$300,000.00) ("Grant"). It is anticipated that certain technical assistance costs will be incurred for this project in FY 1979 but prior to the date of authorization. Therefore project costs incurred subsequent to October 1, 1978 will be eligible for project funding.

I hereby authorize the initiation of negotiation and execution of the Project Agreement by the Officer to whom such authority has been delegated in accordance with AID regulations and Delegations of Authority subject to the following condition, together with such other terms and conditions as AID may deem appropriate. Goods and services financed by AID under the project shall have their source and origin in the United States or in the Dominican Republic except as AID may otherwise agree in writing.

Signature 

Patrick F. Morris

Director USAID/Dominican Republic

Date: 4/26/79

Clearances:

RLA:RMeighan (draft)	Date: 3/24/79
AGR:RGTroastle (draft)	Date: 4/24/79
AGR:EBShearer (draft)	Date: 4/24/79
CONT:JOHill (draft)	Date: 4/24/79
PRG:JHClary (draft)	Date: 4/24/79
CRD:CSBlankstein (draft)	Date: 4/24/79
AD:IALevy 	Date: 4/25/79

CLASSIFICATION
PROJECT VALUATION SUMMARY (PES) - F T I

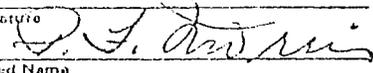
Report Symbol U-447

1. PROJECT TITLE AGRICULTURAL SECTOR ANALYSIS, PHASE I			2. PROJECT NUMBER 517-55-140-059.1	3. MISSION/AID/W OFFICE Dominican Republic
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	
6. KEY PROJECT IMPLEMENTATION DATES		6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY 76	B. Final Obligation Expected FY 78	C. Final Input Delivery FY 78	A. Total \$ 800,000 B. U.S. \$ 600,000	From (month/yr.) October 1975 To (month/yr.) December 1978 Date of Evaluation Review Jan. 22-26, 1979

B. 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
Prepare a Project Paper for a Mission grant funded second-phase sector analysis project. The project will emphasize internalization of sector analysis capabilities within the SEA through support for SEA's own sector analysis efforts. The project will provide assistance in the following three areas over an approximate 18-month period: 1.- Analyses of existing data using a wide variety of intermediate level analytical methods. In-country application of computer software packages. Develop closer linkages with farm management level data and utilization. 2.- Using the sector model for limited additional policy related analyses. Documentation and dissemination of model design and capabilities. Phase out of model activity until GODR institutional capabilities and interest attain sufficient levels. 3.- Limited assistance to SEA on 1979 farm survey in the areas of data processing and editing.	R. Trostle	3/16/79
Provide for a Mission funded resident advisor to be assigned approximately three-quarter time to the project.	E. Shearer	2/79
Respond to DAEC guidance telegram regarding these decisions.	R. Trostle	Immediately

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT
<input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/R	A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER BANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) Felipe Manteiga, USAID/DR William Goodwin, AID/W, LAC/DR Ronald Trostle, USAID/DR Rubén Núñez, GODR/SEA	12. Mission/AID/W Office Director Approval Signature  Typed Name Patrick F. Morris Date
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13. SUMMARY

The Agricultural Sector Analysis (ASA) project being evaluated herein was the first of a two-phase program concept designed to develop within the Secretariat of Agriculture (SEA) the data collection, processing, and analytical capabilities necessary to set feasible and consistent agriculture sector objectives and strategies, and to efficiently allocate resources. Although factors beyond the project's control caused delays and not all of the outputs were obtained, significant progress was made toward the goal. An unplanned effect has been generally increased professionalism within SEA's planning units. The GODR has set more systematic planning as a high priority and the political, organizational and technical environment for it is much improved. SEA has programmed a number of sector analysis activities for the next several years and in the context of the second phase of the ASA Program has discussed the possibility of additional technical assistance with USAID.

14. METHODOLOGY

As stated in the initial project document, dated October 1975, "The project is divided into two phases, or complete 'rounds' of analysis, of 2 1/2 years each. Within the first phase, four separate and sequential activities are contemplated... progressing from rather simple to more complex and powerful analytical structures". The purpose of the current evaluation is to assess the project's progress towards its stated goals after approximately three years of project implementation. During the week of January 21-27, 1979, the evaluation team discussed the project's problems, progress and impacts with a variety of GODR officials and others who have in some way been involved or professionally interested in sectorial planning. The evaluation team also reviewed GODR plans for future sector analysis activities and assessed alternative future directions in the use of intermediate and/or complex analytical methods for additional analysis of existing data and in collecting new data.

Team members were: Hunt Howell and William Goodwin, AID/W; James McGrann, Iowa State University; and Felipe Manteiga and Ronald Trostle, USAID/DR. Key resource people included Dr. Rubén Núñez, GODR; Sandra Rowland, BUCEN; and Robert House, USDA. A list of the principal people with whom the project was reviewed is found in Attachment A.

15. EXTERNAL FACTORS

In addition to the unforeseen rapid turnover of project personnel referred to in Section 21.C, the project suffered from a lack of organizational stability, both within the USG and the GODR. The Latin American Bureau's Sector Analysis Division, which was to provide guidance and oversee project implementation, was abolished a half year after the project was initiated. The resulting vacuum was further magnified when the USDA Sector Analysis Internationalization Group (SAIG) responsible for providing analytical technical assistance, lost and was unable to replace its leader and several staff members. It was not possible to successfully transfer project coordination to USAID/DR because of personnel turnovers in the Mission's limited staff.

GODR agencies associated with the project also underwent structural reorganizations. Initially the project's counterpart agency was the Office of Planning, Coordination and Evaluation (OPCE), which had a limited scope and staff. In 1976 SEAPLAN was established to centralize under one Planning Subsecretary the departments of Planning, External Resources, the Computer Center, and eventually Agriculture Economics. SEAPLAN represented a distinct organizational improvement. However, its operations were drastically reduced during the 1977-78 period of election preparation and change of government. The mid-1978 resignations of a number of officials associated with the project further reduced SEAPLAN activities until the August, 1978 inauguration of the new government.

(Note: A full-time resident technician could have shielded the project from many of these external shocks. See Section 22.A for further comment.)

16. INPUTS (See Attachment B for detailed inputs by activity.)

In general, when project management and coordination was in place either in AID/W or USAID/DR, high quality inputs were provided in sufficient quantities to keep the four designated activities on track and produce a series of beneficial spin-off activities. This was especially evident in the initial project period when AID/W, BUCEN/SEU, USDA/OICD, and USAID/DR personnel were actively involved in the data gathering activities and the subsequent publication of preliminary results. When project coordination was interrupted due to personnel changes or faltering shifts of responsibility to the DR, either the

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activity stopped (as in the case of the representative farm model) or the activity continued on a more limited and isolated basis than originally envisioned (e.g., the production of analytical documents and sector model work).

A. Activity #1: Farm Survey

This was principally a BUCEN/SEU effort with support from USDA/OICD. Data collection was performed by Dominican interviewers and supervisors. US personnel inputs were approximately as expected except for editing efforts, which were expanded. Dominican counterpart inputs and institutionalization efforts were minimal in order to meet specified deadlines. Considerable resources were then used to write methodological working documents to fill this gap.

B. Activity #2: Descriptive Analysis

This phase suffered from the lack of both a proposed resident analyst and a continuous focus. Inputs were originally planned for a single Farm Policy Analysis document, but this evolved into the Statistical Working Documents (SWD) series of data tables published by BUCEN and descriptive analytical documents covering employment, income and production. Even though data were available, USAID/DR guidance and Dominican counterpart analysts time occurred only intermittently, albeit with good results when it materialized. (See Outputs #17.)

C. Activity #3: Representative Farm Models

A prototype representative farm model was developed in 1976 by the AID/W staff with inputs from Harry Wing, then of FAO. With his transfer to USAID/DR, development continued with testing of different linear programming packages for SEA's Computer Center and subsequent acquisition of the Haverly Linear Programming System. These efforts, together with the analysis of data collected on farm production systems, lapsed with his departure.

D. Activity #4: Agricultural Sector Analysis Model

Work on the ASA model started late and suffered the most from the lack of a resident advisor. GODR economist time was only one-third of the proposed input, although of superior quality. Development shifted to the US where efforts by USDA economists and a BUCEN systems analyst (whose need was not foreseen) produced elaborate results but little DR internalization. Without technical support, professional time was spent on routine tasks.

17. OUTPUTS (See Attachment C for elaboration of outputs.)

A. Activity #1: Farm Survey

The farm survey was taken and completed on schedule. Thoroughly edited primary data are available on magnetic tape files for analysis of employment, income, production, credit, land tenure, and other agriculture sector variables. This is the only comprehensive and consistent data source of its type to be collected, processed, and made available for use in the Dominican Republic. Documentation of all of the data collection and processing techniques employed has been published and distributed both in Spanish and English.

The data have some statistical limitations and some users have experienced difficulties in working with the primary data, in spite of the available documentation.

B. Activity #2: Descriptive Analysis

The original plan was for a single farm policy document to be completed in May 1977. This was not done. Instead, two inter-related groups of publications have evolved. Statistical tables from farm survey data were published in Spanish and distributed in thirteen volumes. Narrative analysis of employment was written and published by Dominicans with USAID assistance in December, 1977, and an analysis of income completed by a US technician should be published by 2/79. Rather than complete one production document, the GODR has decided to produce smaller studies of specific topics. A study of basic grains has been completed and studies of farm machinery, crop yields, and production practices are planned. The statistical tables are often considered to be overabundant and too complex for easy interpretation. The descriptive analyses were scheduled for completion by May, 1977 but have not been produced on schedule leaving a gap in the project's planned outputs.

The USAID Mission has derived several specific studies from the survey data. The ASA survey data has been used by the USAID Mission in the Agricultural Sector Assessment, in drafting the Country Development Strategy Statement (CDSS), in designing the swine fever eradication project, and for input to the USAID Education Division's planning.

C. Activity #3: Representative Farm Models

A prototype representative farm model was developed from FAO data for the Cibao region involving alternative production techniques

and allowing for saving and borrowing functions. With Harry Wing's departure, this activity ceased when GODR technicians were incapable of continuing this effort and AID/W interest shifted to the ASA model.

D. Activity #4: Agricultural Sector Analysis Model

A document describing model methodology was released in English in December 1977. Subsequent model structural changes have not been documented for general distribution, and planned policy analyses have not been completed due primarily to a lack of appropriate personnel for this activity.

Outputs in the 1975 PP did not specify the need nor the benefits of intermediate products of the modeling process. Such outputs include: (1) analysis of policy areas in which interdependence of variables is important; (2) LP economics courses for SEA staff, related educational materials, and small scale training models; (3) data generation and evaluation for production activities, income and price elasticities, production and consumption estimates, availability of credit, labor and land, and import/export prices and transportation costs.

18. PURPOSES

The approved project purposes were to:

"1) Provide a profile of small and large farmers suitable for use in later phases of the analysis, for designing assistance activities, and for other kinds of policy analysis (Activity #1).

2) Compare income, production and employment absorption performance of farm groups of different sizes and in different regions of the country, and identify correlations between good and bad performance and factors which might be influenced by program and policy decisions (Activity #2).

3) Illuminate issues relating to farm management and farming systems (Activity #3). Examples would include farmer response to new varieties, technologies, price and interest rate changes, programs which reduce resource constraints, etc.

4) Make available tools for determining resource allocation patterns and policies appropriate for achieving pre-established objectives such as income levels and distribution, production and

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employment levels (consistent at the sector level) and for quantifying the trade-offs between objectives (Activity #4).

5) Strengthen GODR medium and long-run agricultural planning capacity (all activities)."

EOPS included timely outputs, actual use of data and analytical tools, assessment of output usefulness by GODR and AID policy makers, and Dominican institutionalization of sector analysis processes.

Problems in the input-output linkages (especially the lack of a resident advisor) exacerbated the output-purpose linkage. Elaborate farm level cross-sectional data are available and some descriptive documents published, but policy issues and implications and program development are spotty. Sophisticated linear programming techniques were emphasized while simpler, perhaps more appropriate types of analysis were neglected. Significant progress has been made in SEA's agricultural planning capabilities even though efforts for internalization in the DR were at times deemphasized for the sake of completing outputs by US personnel.

19. GOAL

The project's goal is:

"Use by the GODR, AID and other donors of the analytical techniques developed as part of this project to set objectives and strategies for the agricultural sector which are feasible and consistent, and to allocate resources and utilize policy instruments in a manner consistent with achievement of these objectives and strategies."

Although not all of the designated outputs of the project have been achieved, there has been significant progress towards the project's goal. The Planning Department of the Secretariat of Agriculture (SEA) is now functioning in a much more professional manner. Its increased data processing and analytical capacities have been used by SEA to improve its current operations and to rationalize the planning process. Examples of this include the Medium Term Plan, the "Plan Operativo" for 1979, the quarterly production surveys, quick planning and processing of a unified personnel/payroll system for SEA, and improved quantitative and qualitative statements by the GODR regarding the agricultural sector.

20. BENEFICIARIES

Two groups were to be beneficiaries of this project. First, the project was to focus directly upon improving the capabilities of SEA personnel to use data and analytical tools to better set the objectives and formulate strategies for GODR programs in the agricultural sector. Second, the project was expected to increase small farm, labor intensive production among rural families through improved resource allocation. This would result in a more equal income distribution and reduce under- and unemployment of rural labor.

Evidence of the ASA project's impact on the planning group is noted in the 1978 Agricultural Sector Assessment draft:

"Dominican agricultural planning and policy analysis activities... have demonstrated considerable progress. In comparison to three years ago when practically no planning capability existed, a competent agricultural planning and policy unit that is producing useful preliminary planning information now is in operation. Although progress has been considerable, much still needs to be accomplished and long-term external assistance will be required to maintain the momentum."

SEA's own commitment to the AID target group has recently been expressed in speeches by the Secretary of Agriculture and is also documented in the objectives set forth in SEA's "Plan Operativo".

- Increase income distribution and reduce poor family indebtedness;
- modify land holdings to insure minimal levels of income and food consumption;
- increase labor utilization by 25%;
- increase the supply of domestic production for basic consumption.

The 1975-76 Survey conducted in this project provides the first comprehensive data on the farm population in the Dominican Republic. The proposed 1979 Survey will provide a point of comparison to measure the impact of GODR and AID-assisted projects in the target group.

A legitimate criticism of the project's impact on the intended beneficiaries is the limited dissemination of project results. With the first phase of the project completed there are needs to: (a) filter

information to the rest of the SEA organization, especially through interaction with the Economic Analysis and Extension units; (b) provide for a more extensive use of project outputs by program implementing agencies; and (c) reach out to rural target groups via simple publications, radio programs, rural centers, etc.

21. UNPLANNED EFFECTS

A. The data processing and analysis capability of SEA's Computer Center has greatly increased. This is due in part to the heavy demands of the ANSE Project, the AID Ag. Sector Loan's inputs into the center, and various training programs for its staff. Other GODR agencies are increasingly requesting the software packages introduced by the project.

B. The quarterly area and production surveys, initiated in 1973, had not been processed until recently. The assistance provided by BUCEN under ASA's aegis, helped improve data collection and processing so that as of January 1979 the results are being published as a timely source of agricultural information.

C. The project's chronic personnel turnover, although detrimental to its implementation, placed in key decision making positions personnel who applied sector analysis experience to their new jobs. The outward and upward movement of personnel had a negative impact on project continuity but was a net plus for the Subsecretariat in terms of its professionalization.

In an effort to identify and recruit well trained people for its own staff, the project occasionally fulfilled a "talent search" function for the SEA. In a number of cases the project could not retain the identified professionals because the SEA used them for other high priority needs which required analytical skills.

The project has resulted in the promotion of Dominican professional women --first to positions of more professional responsibility-- and in some cases, to key executive positions. One of ANSE's project coordinators became the first woman in any of the agricultural agencies to rise to the rank of Deputy Director.

D. Specific tasks in which ASA personnel staff and alumni have participated include the writing of the sector medium term plan, the development of the "Plan Operativo", and the unification of the SEA's personnel and payroll system.

E. The project established an environment favorable for the conceptualization and initiation of a comprehensive resource inventory system (CRIES) project in SEA.

F. The project staff played a decisive role in the conceptual formulation of the "Consumption Effects of Agricultural Policies" project (CEAP), initiated by AID/W's Office of Nutrition.

G. The survey data will be the basis for a National Science Foundation sponsored study of the Dominican fertilizer distribution system.

22. LESSONS LEARNED

A. Project Leadership

Continuity of project leadership is very important. Lack of project leadership resulted in a lack of focus, uncoordinated execution, a difficult transition of responsibilities to the DR, and ultimately a year's loss for beginning preparation of Phase II. This project would have progressed more smoothly and rapidly if there had been a full-time resident technician instead of a part-time liaison to shield it from changes in AID and GODR organizational structures, personalities, and guidance, and to assist both donor and Dominican technicians in the identification of and response to problems. Ultimately the continuity of leadership must be in the host country institution, but a project may be well advanced before this is possible. Until the host institution is capable of assuming leadership, a resident advisor can play many useful roles: provide conceptual and technical guidance; provide stability and evidence of donor commitment; diplomatically exert constant pressure on host country institutions to allocate resources to the project; avert impending crises and respond quickly to those which are unavoidable; and manage TDY technical backstopping in relation to the project objectives and to host country capabilities and needs.

B. Assessment of Institutional Capacity

More time should be spent by the project design team in assessing proposed counterpart's absorptive capacity and tailoring the project to their needs and capabilities. Although this is related to the issue of the scope and magnitude of the projects' objectives as discussed in Section 23, it is more directly related to estimates of the amount and quality of technical assistance which will be needed. Managers of existing projects in the same general area should be fully consulted so that (1) efforts are as complementary as possible; and

(2) these managers become supporters of the project rather than detractors. Analysis of institutional capability, particularly of those institutions with which the donor has not worked previously, takes considerable time (which project design teams usually do not have). Ideally Missions should provide more support to design teams in the institutional diagnosis; however, they rarely have sufficient independent information about proposed counterparts to know whether the design team has done an adequate job.

23. SPECIAL COMMENTS AND REMARKS

A. Scope and Magnitude of Objectives

The project evaluation raises the issue of whether it is better to fully realize a set of limited objectives or only partially realize a set of more lofty objectives. The experience of the first phase of this project was the latter of these two alternatives. From a simplistic perspective it is preferable to fully realize all your objectives; however, if they are too unambitious the net contribution of the project to the larger institutional environment may be very limited. Host country personnel may be more inspired (and flattered) by an ambitious project and therefore commit more of their resources to it. On the other hand, failure to achieve more ambitious goals can be an embittering and frustrating experience for both the host country and the donor organization.

Objectives somewhat beyond the apparent grasp of the host country personnel may be appropriate if the following conditions are met: (1) donor project management is fully capable of providing continuous technical and morale support regarding the objectives and methodologies proposed to achieve them; (2) there is a strong probability of attracting to the host country project staff individuals who are competent to grasp these concepts and methodologies, even though such persons are not on board at the outset; and (3) project management has the flexibility to exploit unforeseen opportunities (e.g., unplanned intermediate products, institutional linkages, etc.).

If internalization of new techniques is an objective, then a further requirement is that host country national staff be substantively involved in all phases of the work. Otherwise, when it comes time to plan a subsequent effort, expectations may be raised to unreasonable levels due to host country personnel lacking familiarity with input levels and methodologies required. This can lead to underestimation of task difficulty and subsequent failures which may (1) set back such activities as agriculture sector planning; or (2) damage the credibility of trained nationals.

B. Farm Level Data and Analyses

Greater emphasis on farm level economic analysis would be useful in understanding the small farmer problem and in formulating agricultural policy to assist the small farmer. One of the planned outputs not realized in Phase I or the Sector Analysis Project was the representative farm level models. Given a significant respondent error from surveying small DR farmers who have complex production systems and the limited amount of farm record data information available, it is important to develop alternative sources of information to use to cross-check, support and interpret survey data. Integration of other data sources into sector analysis efforts will also lead to increased feedback and utilization of the information.

High pay-offs, in terms of improved sector analysis efforts and policy formulation, would be expected from the following areas of in-depth study of farmers in the context of the farm household decision-making process: (1) the interaction between the farm business and the farm household, i.e., the household not only as a provider of labor and off-farm earned cash flow, but also as a consumer of farm production and products purchased off the farm; (2) the response that the small farm makes to different policy instruments; (3) a greater effort to quantify and understand the production, resource, nutritional, and income constraints facing the small farmer.

To achieve effective results in policy formulation for the small farmer, SEA's Sector Analysis Division needs a more direct contact with the small farmer. In planning follow-on sector analysis work, the SEA and USAID should seek ways of increasing the link with the small farmer by incorporating farm management analytical methods into sectoral analysis activities. (See Attachment D for further comments regarding this topic.)

C. Role of AID in Sector Planning

Some thought should be given to the appropriateness of medium and long-range sector planning programs within AID and the feasibility of supporting large-scale analytical efforts such as Agricultural Sector Models. Given the typical need of Mission and regional AID personnel for more short term products, these activities might better be handled through institutions with longer time horizons and with provisions for programmed intermediate products that increase the project's visibility and credibility.

PRINCIPAL PERSONS INVOLVED IN REVIEW

GODR

SEA:

- Lic. José E. Lois Malkún, Subsecretario de Planificación
- Lic. Joaquín Nolasco, Director, Div. de Economía Agropecuaria
- David Alvarado, Sub-Director, Depto. Economía Agropecuaria
- Vitalino Pena M. Estadístico, Depto. Economía Agropecuaria
- Dr. Rubén Núñez, Director, Depto. Información Estadística y Cómputos (Asesor, ANSE)
- Lic. Magaly de Mitchell, Sub-Director, Depto. de Planificación (former coordinator ANSE)
- Lic. Marino Chanlatte, Sub-Director Depto. Información Estadística y Cómputos (former coordinator ANSE)
- Lic. Gerardo Taveras, Proyecto Análisis Sectorial (ANSE)
- Lic. Elba Musalem, Técnico, Proyecto Análisis Sectorial (ANSE)
- Lic. José Ricardo Roque, Técnico, Proyecto Análisis Sectorial (ANSE)
- Idalia de Cepeda, Técnico, Proyecto Análisis Sectorial (ANSE)
- Carlos Capellán, Estadístico, Proyecto Análisis Sectorial (ANSE)
- Lic. Esteban Herreros, Asesor, Centro de Cómputos
- Carlos Ruiz, Director Centro de Cómputos
- Marcos César Justo, Jefe Div. Administración Rural
- Teófilo Suriel, Jefe, Div. Estudios Económicos

OTHER:

- Lic. Flavio Machicado, Former Asesor de Planificación (FAO)
- Lic. Horacio Stagnic, IICA
- Lic. Jerry La Gra, IICA

USAID:

- Patrick F. Morris, Director
- Irwin A. Levy, Deputy Director
- John Clary, Chief Program Div.
- Frank Miller, Acting Chief, Capital Development Div.
- Eric B. Shearer, Chief Agriculture Division
- Rafael Rosario, Deputy Chief, Agriculture Div.
- *- Ronald Trostle, Agriculture Division
- *- Felipe Manteiga, Agriculture Division
- Gary Kempf, Agriculture Division
- Joe Hill, Controller

USDA:

- Robert House, OICD/DP
- Dr. Elizabeth Erickson, OICD/DP
- *- Dr. James McGrann, Consultant, Iowa State University
- Dr. Terry Roe, Consultant, University of Minnesota

AID/W:

- *- Dr. Hunt Howell, PPC/PIAS (former coordinator, ASA)
- *- William Goodwin, LAC/DR/RD

BUCEN/ISPC/SEU:

- Beverley Carlson, Chief, General Surveys Branch
- Sandra Rowland, Statistician, General Surveys Branch

* Members of evaluation team.

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DETAILS OF ACTIVITY #1. INPUTS
Person-months for Farm Survey

	Proposed		Actual	
	US	DR	US	DR
1. Sample Design	3	1	3 3/4*	1
2. Questionnaire Preparation	3 1/2	1	4	2
3. Field Manual Preparation	3	1	3 1/2	1/2
4. Processing Plan	6	2	5	0
5. Pre-test Questionnaire	2	2	1/2	1
6. Final Preparation for Field Work of Main Survey	3	1	1 3/4	1
7. Interviewer Training	1/2	1	1 1/2	1/2
8. Field Work ^{a/}	1	3	1	2
9. Office Preparation for Processing	1	3	1 1/2	3
10. Key punch Questionnaire	1/4	0	1/4	0
11. Edit	7	5	16	1/2
Total	30 1/4	20	38 1/4	11 1/2

a/ Does not include time of interviewers and supervisors.

DETAILS OF ACTIVITY #2 INPUTS
Person-months for Descriptive Analyses

	Proposed		Actual	
	US	DR	US	DR
1. Statistical & Methodological Working Documents				
a. Table Specifications	2 1/4	1	16	1/2
b. Write Methodology	0	0	7	0
c. Computer Processing	4	2 1/2	19	0
d. Translation	1	0	3	3
e. Proofing & Publication	2	1	4	3
Total	9 1/4	4 1/2	49	6 1/2
2. Analytical Documents				
a. Income			4	0
b. Employment	9	10	2	6
c. Production			2	2
Total	9	10	8	8

DETAILS OF ACTIVITY #4 INPUTS
Person-months for Agricultural Sector Model

		Planned	Actual		
		1975 PP	CY 1977	CY 1978	Total
Personnel Specified in 1975 PP	GODR Economists	24	3	5	8
	AID Economists	14			
	AID TDY Econ.	12	21	17	38
	Consultant	11			
	AID Programmer	5	0	0	0
	GODR Programmer	5	2.5	2.5	5
	Systems Analyst	0	9	10	19
	Total	71			70

The 1975 PP did not anticipate the need for systems analysis support of the LP software. However, 19 person-months were utilized in this fashion. The matrix generator and report writer computer programming was done almost exclusively by US Economists which diminished their time available for model testing, development and analysis. No LP training was anticipated in the PP, but substantial Dominican economist time was expended in this activity (this is not included in the table). LP software and systems training was provided by the US systems analyst (which time is included in the table).

ELABORATION OF PROJECT OUTPUTS

1.- DATA FILES

- a) Four master-tapes containing the complete questionnaire file with different degrees of editing and summary additions (Differences in the four files are explained Hunt Howell's memorandum on "Contents of Master Tapes containing Dominican Agriculture Sector Survey Information", dated Oct. 20, 1976)
- b) Two files for crop analysis with 41 and 93 recorded crops and crop sets.
- c) Disaggregated income file for farm-level income analysis.
- d) Master segment file.

2.- STATISTICAL WORKING DOCUMENTS

(Note: these 13 volumes provide about 3,200 pages of statistics in tabular form. A Table of Contents of listing individual cross tabulations is available from USAID/DR).

- # 1 - Employment
- # 1A Employment
- # 2 Production
- # 2A Production
- # 2B Production
- # 3 Income
- # 4 Credit
- # 5 Marketing
- # 5A Marketing

- # 6 Capital, Fertilizer, Tenancy and Use of Land
- # 7 Number of Observations used in the Statistical Tables
- # 7A " " " " " " " "
- # 7B " " " " " " " "

3.- METHODOLOGICAL WORKING DOCUMENTS

- # 1 Review of Methodology and Unit Counts
- # 2 Procedural History
- # 3 Control and Evaluation of Data Quality
- # 4 Explanation of Data files created from Edited Survey Information
- # 5 Procedures for Developing Additional Data Cells
- # 6 Procedures Used for Weighting the Observations and Calculations of Variances
- # 7 Data Tabulation Procedures
- # 8 Review of Agricultural Sector Models

4.- ANALYTICAL WORKING DOCUMENTS

- Aspectos de Empleo Rural en la República Dominicana. Secretaría de Estado de Agricultura, Departamento de Planificación Santo Domingo, D.N., Diciembre, 1977.
- Descriptive Analysis of Income (to be published Feb, 1979)

5.- OUTPUTS OF SECTOR MODELING ACTIVITY

A variety of products of the agriculture sector modeling may be enumerated. Some of these are:

- A) A series of sector wide LP models with such components as:

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- 1) Price and income elasticity and demand curve estimates
 - 2) Geographic macroregion determination from survey data
 - 3) Production activity specification (including, for a variety of alternative techniques, estimates of factor input and yield coefficients for eleven crops)
 - 4) Estimates of credit availability for crops by institutional source, crop, zone and farm size with estimates of interest rates and transactions (proportion of) cost
 - 5) Estimates of labor availabilities by family and paid labor types by zone and farm size
 - 6) Estimates of land availabilities by irrigation/nonirrigation, zone and farm size
 - 7) Specification of three farm size groups and IAD farms income distribution analysis of simulated policies
 - 8) Export/import prices and transportation cost estimates
- B) A general review of data availabilities and gaps in areas of fertilizer, nutrition coefficients and weather variability effects.
- C) Policy issue development: review of other studies and some detailed formulation of analytical issues in areas of credit and price policy.
- D) A series of ASA LP training models
- E) A representative farm LP model of the Cibao region
- F) Training of Dominican analytical personnel in LP economics and computer software.

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- G) A computer center staff skilled in the use of the Haverly LP system including matrix generation, optimization and report writing capabilities.

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FARM LEVEL DATA AND ANALYSES

Greater emphasis on the farm level economic analysis would be particularly useful in understanding the small farmer problem and in formulating agricultural policy to assist the small farmer. In addition, given the limited amount of farm record data information available and the large survey respondent error from the small DR farmer who has a complex production system it is important to develop alternative sources of information to use to cross-check and support survey data. Integration of other data sources into the sector analysis will also lead to increased feed back and utilization of the information.

Areas of research with anticipated high pay off from more in-depth study of farmers in the context of the farm-household decision level include: (1) study of the household-farm business interaction; the household not only as a provider of resources (labor, off-farm earned cash flow) but also as a consumption component; (2) study the response that the small farm can make to different policy instruments and why or why not they respond to different policy instruments; and (3) a greater effort to quantify and understand the production, resource, nutritional, and income constraints facing the small farmer.

Three major sources of information can be used to quantify farm level input-output coefficients for farm modeling: (1) farm records, farm level measuring activities, case studies, expert technical experience and engineering approaches that cannot be used for modeling statistical inferences; (2) controlled experimental research findings that again can not be used for making statistical inferences about farm populations; and (3) statistically valid farm survey information.

Given the limited amount of farm record data kept by farmers in the DR, sensitivity of certain income data and the complexity of the farm production systems and varied resource base, one can expect a very large respondent error under the best of conditions. It is thus important to integrate other data sources into the sector analysis in addition to necessary data. Integration of other divisions of SEA, in particular the Farm Management Division, into the data generation and evaluation process will also lead to increased feed back and utilization of the sector analysis information in policy formulation and education.

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Representative farm level linear program modeling requires a high level of expertise in a number of areas: (1) basic farm management training in economics and agricultural sciences, and/or support from an inter-disciplinary team; (2) integration of the household and farm business requires knowledge and/or technical support in areas of nutrition, family eating habits, living expenses, labor availability, etc.; (3) knowledge of procedures in data collection, evaluation, budget, etc.; and (4) linear programming construction, analysis, and interpretation. Thus, representative farm modeling requires an inter-disciplinary approach and a very good understanding of the farm business and household if it is to lead to development of an effective educational and policy evaluation tool.

The present reorganization of SEA and increased manpower in farm management both in the central and field staff would allow a greater absorptive capacity of the staff for training and research activities in the DR. Indications are that the level of training and experience is low in economics and the basic analytical tools in farm management (budgeting, cash flow and other financial analysis tools, farm records analysis, etc.). Initial training would have to begin at the low level and progress toward use of more complex tools such as LP, construction and analysis of representative farms. The anticipated pay off of the additional resources in this diversion could be high because of the direct tie to the small farmer through the regional links.

To achieve effective results in policy formulation for the small farmer the Sector Analysis Division needs a more direct contact with the small farmer. A well prepared farm management division can provide that linkage. In planning Phase II of the Sector Analysis Project the SEA and USAID should consider ways of increasing the link with the small farmer by incorporating farm management analytical methods into sectoral analysis activities.

6C(1) - COUNTRY CHECKLIST

GENERAL CRITERIA FOR COUNTRY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in consistent pattern of gross violations of internationally recognized human rights?
Yes, assistance will directly benefit the needy.

2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics, drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?
The Dominican Government has instituted adequate measures for the control of narcotics and other controlled substances.

3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?
The Secretary of State has determined that the Dominican Republic is not controlled by the international communist movement.

4. FAA Sec. 620(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

According to the information available, the Dominican Republic is not known to be so indebted.

5. FAA Sec. 620(e) (1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No.

6. FAA Sec. 620(f); App. Sec. 107. Is recipient country a Communist country? Will assistance be provided to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia or Laos?

No.

7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression?

No.

8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property?

No.

9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason?

The Dominican Government has signed and instituted such agreement.

0. FAA Sec. 620(O); Fishermen's Protective Act, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters,
- No
- has any deduction required by Fishermen's Protective Act been made? Not applicable
- b. has complete denial of assistance been considered by AID Administrator? Not applicable
11. FAA Sec. 620(q); App. Sec. 504. (a) Is the government of the recipient country in default on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds, unless debt was earlier disputed, or appropriate steps taken to cure default?
- (a) No
(b) No
12. FAA Sec. 620(s). What percentage of country budget is for military expenditures? How much of foreign exchange resources spent on military equipment? How much spent for the purchase of sophisticated weapons systems? (Consideration of these points is to be coordinated with the Bureau for Program and Policy Coordination, Regional Coordinators and Military Assistance Staff (PPC/RC.)
- Total defense expenditures as percentage of government expenditures were 8.3% in 1975 and 10.9% in 1976. Preliminary 1977 data shows defense expenditures at 12.6% and the 1978 budget expects this percentage to drop to 8%. As percentage of GNP, defense expenditures are running around 1.9%.
- The amount of foreign exchange spent on military equipment is very small, none of which is for sophisticated weapons.
13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?
- No, diplomatic relations have not been severed.

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14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget?

GODR is current on U.N. obligation.

15. FAA Sec. 620A. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism.

No.

16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA?

No.

17. FAA Sec. 669. Has the country delivered or received nuclear reprocessing or enrichment equipment, materials or technology, without specified arrangements on safeguards, etc.?

No.

18. FAA Sec. 901. Has the country denied its citizens the right or opportunity to emigrate?

No.

FUNDING CRITERIA FOR COUNTRY

1. Development Assistance Country Criteria

a. FAA Sec. 102(c), (d). Have criteria been established, and taken into account to assess commitment and progress of country in effectively involving the poor in development, on such indexes as: (1) small-farm labor intensive agriculture, (2) reduced infant mortality, (3) population growth, (4) equality of income distribution and (5) unemployment.

Yes, criteria have been established by the GODR in their agricultural, health-work, education sector analysis.

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b. FAA Sec. 104(d) (1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

Not applicable.

c. FAA Sec. 201(b)(5), (7) & (8); Sec. 208; 211(a)(4); (7). Describe extent to which country is:

(1) Making appropriate efforts to increase food production and improve means for food storage and distribution.

At present, the Dominican Republic is making a concerted effort to increase food production as well as to upgrade marketing and storage facilities.

(2) Creating a favorable climate for foreign and domestic private enterprise and investments.

The Dominican Republic has taken numerous steps to improve the private investment climate, as evidenced by its support for expanded industrial and agricultural credit, participation in the AID investment guaranty and housing guaranty programs, the passage of an updated Industrial Incentive Law, and more recently, a new Dominican Tourism Incentive Law, all designed to encourage foreign and domestic enterprise and investment.

(3) Increasing the public's role in the developmental process.

The public's role is increasing through various means. Some specific examples are the programs under the Dominican Development Foundation, savings and loan associations, credit unions, and agricultural cooperatives.

- (4) (a) Allocating available budgetary resources to development

The Dominican Government is allocating substantial budgetary resources to development. The total capital budget has averaged over 43% of the total expenditures. Over 93% of all budgetary surpluses are destined to investment projects.
- (b) Diverting such resources for unnecessary military expenditures and intervention in affairs of other free and independent nations.

No
- (5) Making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangements, and making progress toward respect for the rule of law, freedom of expression and of the press, and recognizing the importance of individual freedom, initiative, and private enterprise.

The Dominican Republic permits free expression; tax collection methods are improving; an active reform program is in progress; a free press exists, an active land reform is underway; the country is in compliance with the other criteria.
- (6) Otherwise responding to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.

The Dominican Republic is maintaining a reasonable balance in its development program. Increasing emphasis is being placed in the development of programs to help the rural poor.
- d. FAA Sec. 201(b), 211(a). Is the country among the 20 countries in which development assistance loans may be made in this fiscal year, or among the 40 in which development assistance grants (other than for self-help projects) may be made?

Not applicable
- e. FAA Sec. 116. Will country be furnished, in same fiscal year, either security supporting assistance, or Middle East peace funds? If so, is assistance for population programs, humanitarian aid through international organizations, or regional programs?

Not applicable

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2. Security Supporting Assistance Country
Criteria

a. FAA Sec. 520B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights? Is program in accordance with policy of this Section?

Not Applicable - this is not supporting assistance.

b. FAA Sec. 531. Is the assistance to be furnished to a friendly country, organization, or body eligible to receive assistance?

The same as above.

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

The same as above.

6C(2) - PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. App. Unnumbered; FAA Sec. 653(b)

(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure plus 10%)?

The Project was included in the FY 1980 Congressional Presentation. The assistance is within the OYB level established for the country.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes
(b) Yes

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment or purpose of the assistance?

No - No further legislative action needed.

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated September 5, 1973 (replaces Memorandum dated May 15, 1962; see Fed. Register, Vol. 38, No. 174, Part 111, Sept. 10, 1973)?

Not Applicable

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction) and all U.S. assistance for it will exceed 1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?

Not Applicable

A.

6. FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multilateral organizations or plans to the maximum extent appropriate?

The project cannot be executed as part of a regional project.

7. FAA Sec. 601(a); (and Sec. 201(f) for development loans). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Project will encourage GODR efforts to improve technical efficiency of agriculture.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Not applicable.

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

Counterpart contribution will be used.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and, if so, what arrangements have been made for its re-lease?

There is no excess, U.S. owned local currency available for this program.

11. ISA 14. Are any FAA funds for FY 78 being used in this project to construct, operate, maintain, or supply fuel for, any nuclear powerplant under an agreement for cooperation between the United States and any other country? No.

FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project
Criteria:

a. FAA Sec. 102(c); Sec. 111; Sec. 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas; and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

Utilization of labor is one of the area of analysis of the Project

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available:

(1) - 104 - for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor.

No.

c. FAA Sec. 110(a); Sec. 208(e). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

Yes. See Financial Plan under Section III.C The GODR contribution to this project is approximately 40% of total project costs.

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d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing? No.

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on: (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and voluntary agencies; transportation and communication; planning and public administration; urban development and modernization of existing laws; or (6) integrating women into the recipient country's national economy.

The Project will provide assistance which emphasizes improving the availability of trained people in the country, especially in the area of planning and public administration.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The Project addresses the GODR's priority to improve systematic planning procedures within the country.

g. FAA Sec. 201(b)(2)-(4) and -(8); Sec. 201(e); Sec. 211(a)(1)-(3) and -(8). Does the activity give reasonable promise of contributing to the development: of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? And does project paper provide information and conclusion on an activity's economic and technical soundness?

The Project will contribute to increasing the productive capacity and self-sustaining growth of the agriculture sector.

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h. FAI Sec. 201(b)(6): Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance-of-payments position. | No adverse effects on the U.S. economy is expected.