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EVALUATION

USAID/Dominican Republic

Tri-Project Performance Evaluation

The Dominican Republic Sustainable Tourism Alliance
(DSTA)

September 2, 2011

This publication was produced by Amex International and its Subcontractor, DevTech Systems, Inc., for the United States Agency for International Development. It was prepared Manuel Vanegas and Edith Bermudez, AMEX International, and Phillip Church, DevTech Systems, under Contract No. RAN-I-00-09-00008.-00



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USAID/DOMINICAN REPUBLIC TRI-PROJECT PERFORMANCE EVALUATION

THE DOMINICAN REPUBLIC SUSTAINABLE TOURISM ALLIANCE (DSTA)

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USAID/DR TRI-PROJECT EVALUATION

Volume III: DOMINICAN SUSTAINABLE TOURISM
ALLIANCE PROGRAM (DSTA)

DISCLAIMER:

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ACRONYMS

ADAVIT	Asociación Dominicana de Agencias de Viajes y Turismo
ADOMPRETUR	Asociación Dominicana de Prensa Turística/Dominican Association of Tourism Press
AED	Academy for Educational Development
ASONAHORES	Asociacion de Hoteles y Restaurantes/National Association of Hotels and Restaurants
ATAS	Alianza de Turismo Alternativo y Sostenible/Dominican Alliance for Alternative and Sustainable Tourism
BID/IDB	Banco Interamericano de Desarrollo/Inter American Development Bank
CBO	Community-based Organization
DR-CAFTA	Dominican Republic-Central America Free Trade Agreement with the US
DSTA	Dominican Sustainable Tourism Alliance
CDCT	Consortio Dominicano de Competitividad/Dominican Consortium for Tourism Competitiveness
CNC	Nationla Competitiveness Counsel/Consejo Nacional de Competitividad
CPP	Competitiveness and Policy Project of USAID
DR	Dominican Republic
DSTA	Dominican Sustainable Tourism Alliance
DT	Dominican Treasures
FOMIN	Fondo Multilateral de Inverciones/Multilateral Investment Fund
GODR	Government of the Dominican Republic
GSTA	Global Sustainable Tourism Alliance
GWU	George Washington University
IMF	International Monetary Fund
INFOTEP	Instituto Nacional de Formación Técnica y Profesional
LWA	Leader With Associates Award
MC	Ministry of Culture/Ministerio de Cultura
MA	Ministry of the Environment/Ministerio del Medio Ambiente
MITUR	Ministry of Tourism/Ministerio de Turismo
MPA	Marine Protected Areas
OPETUR	Association of Receptive Tour Operators of the Dominican Republic
PPS	Programa de Pequeños Subsidios/Small Subsidy Program
SINAP	Sistema Nacional de Areas Protejidas/National Protected Areas System
SME	Small and Medium Enterprise
SOL	Solimar International
TNC	The Nature Conservancy
TIC	Tourist Information Center
UNDP	United Nations Development Program
UNIBE	Universidad Iberoamericana
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
USFS	United States Forest Service
WSR	Whole-System-in-the-Room
WB	World Bank

WTTC
WTO

World Travel and Tourism Council
United Nations World Tourism Organization

EXECUTIVE SUMMARY

OVERVIEW OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This performance evaluation presents documented findings that the USAID/DR-funded Dominican Sustainable Tourism Alliance (DSTA) program is making progress – if somewhat delayed progress – toward reaching its goal of better equipping local small, medium-sized and community-based tourism enterprises and organizations. This outcome is most notable in the nine existing tourism clusters created with USAID support under its earlier Competitiveness and Policy Project (CPP) which offers an alternative vision for sustainable tourism in the Dominican Republic (DR).

Further, the evaluation concludes from these findings that the DSTA program's five-component strategy was soundly designed – if at times unevenly executed – for implementing a cluster approach to developing sustainable community-based organizations and micro, small and medium enterprises that can compete effectively in marketing tourism products and services, including the niche market of eco-tourism. This cluster approach has made noteworthy, if occasionally halting, progress toward achieving the DSTA's five-year life of program targets and is worthy of examination and consideration for replication in other development settings. Still, some design and implementation flaws have emerged, as has been recognized and largely addressed by USAID and DSTA implementing partners during the initial three years of Program execution.

From these findings and conclusions the evaluation recommends that in the short run USAID/DR continue its financial support at programmed funding levels through the remainder – approximately one year – of the Program's five-year implementation period. To enhance the prospects of reaching DSTA targets and goals, this final year of funding should be accompanied by adjustments in the Program focus, putting relatively more effort into the components that support: a) developing market-led nature-tourism-based products and services; b) building cluster managerial and financial viability; and c) training, particularly women and youth, for employment in sustainable tourism endeavors. The final year should focus on these components while discontinuing components geared towards environmental awareness and strengthening GODR tourism institutions. Activities under the components we suggest be eliminated can either be cut back or integrated into the three proposed for retention and re-direction.

The evaluation also recommends that in the long run USAID/DR, as part of its new strategic development and implementation plan, include funding for continued engagement of some DSTA institutions it has been supporting – particularly the CDCT and the more eco-tourism oriented community-based tourism clusters – in order to continue to build the capacity of these institutions and entities to become more sustainable as both nature tourism products/services providers, as agents for conserving the DR's biological diversity under the USG's Global Climate Change (GCC) Initiative, and as vehicles for generating jobs and incomes that can improve food security – particularly in ecologically rich but economically poor and low-income areas – under the USG's Feed the Future (FtF) Initiative. This longer-term engagement of tourism clusters and supporting GODR institutions under the new USAID GCC and FtF initiatives promises to further secure the sustainability –financial viability and managerial capacity – of cluster participant organizations and firms that will further validate the robustness

of the Dominican cluster approach to small-scale local nature tourism enterprise development and contribute to placing the Dominican Republic on a firmer course of economically broad-based and environmentally sustainable growth.

PROGRAM BACKGROUND

The purpose of the USAID-funded Dominican Sustainable Tourism Alliance (DSTA) Program is to “Increase small and medium business growth in an environmentally sustainable manner through market-driven tourism, ecotourism development, cluster linkage programs and activities, and environmental protection to reduce poverty for the less advantaged”¹ which contributes to USAID/DR’s Economic Growth Strategic Objective of “increased sustainable economic opportunities for the poor.”²

The DSTA program is jointly implemented under a USAID/DR-funded Leader With Associates (LWA) Cooperative Agreement by the Academy for Educational Development³ (AED) as the lead with fellow GSTA partners, Solimar International, The Nature Conservancy (TNC), George Washington University (GWU), and – most recently – with the newly formed Dominican Consortium for Tourism Competitiveness (CDCT, by its Spanish acronym).

The goal of the DSTA program, which began in November 2007 and ends in September 2012, is better equipped and strengthened local small, medium-sized and community-based tourism enterprises – most notably existing or new tourism clusters – and public and non-governmental tourism entities, each with the capacity to sustain operations once USAID funding ends.

The DSTA Program has five primary components:

- 1) Institution Strengthening (led by AED) with a focus on supporting the CNC and launching and supporting the CDCT and related institutional capacity building;
- 2) Private Sector, Competitiveness and Market Access (led by Solimar International) with a focus on continuing to build the business capacity of clusters for providing tourism products and services;
- 3) Conservation and Environmental Stewardship (led by TNC) with a focus on raising awareness and understanding about the country’s rich terrestrial and marine biodiversity, how to mitigate the threats to those terrestrial and marine ecologies and on protected areas planning and management;
- 4) Workforce Development (led by GWU) focused on training and skills transfer workshops, including technical and university-level curriculum development, with special emphasis on equipping women and youth for tourism sector employment; and
- 5) Social Development and Networking (led by AED) with support for cluster networking, print and electronic media communications.

AED also oversees with the CDCT a Grant Awards program aimed at short-term capacity building events for which matching funds are mobilized and channeled in support of the other DSTA components.

¹ DSTA Annual Report, 2010

² USAID Strategic Development Plan, 2004-2007

³ During the fourth year of DSTA implementation, AED was purchased by another firm and changed names. However for the purposes of this evaluation the name AED is used throughout.

EVALUATION METHODOLOGY

This is a performance evaluation conducted before DSTA program completion; assessment of the ultimate impacts attributable to the program must wait for a final evaluation after program completion. The focus of this evaluation is on the progress, to date, attributable to the DSTA program and the effectiveness with which the program went about achieving that progress. The performance evaluation has used a mixed methods approach (documentation review, 'ground truthing' through site visits, and key informant interviews) to address the range of questions in the Tri-Project scope of work or task order.⁴ Although the DSTA Program was designed and launched before the new USAID Evaluation Policy, the evaluation has applied this new USAID guidance in its information collection, analysis and reporting.

MAJOR EVALUATION FINDINGS

Program Achievements. Despite implementation challenges that understandably beset a program with the number of moving parts and range of targets that characterize the DSTA, the program has made some notable achievements:

- 1) USAID and DSTA Program records document that: (a) there has been a gradual but noticeable uptick in the numbers of tourists that purchase tourism products and services – excursions, handicrafts, food and lodging – from the target populations of tourism clusters; (b) more than 700 jobs have been created; (c) SMEs and CBOs have generated more than US\$3 million in new tourism products development investment; (d) more than 4,000 people have received or participated in short training courses, seminars, workshops, and conferences; (e) more than 400 SMEs and CBOs have been administratively and technically supported; (f) more than 100 public-private meetings, dialogues, and consultations have been implemented; (g) more than 20 alliances, agreements, concessions, and co-management agreements have been signed; and (h) more than 100 environmentally sustainable practices and processes have been adopted.
- 2) The DSTA aided the nine original tourism clusters in legally incorporating and making progress in: (a) spreading the concept of working together through cluster development, (b) building administrative, financial and marketing capacity; and (c) providing their SMEs and CBOs with grant-funded technical and logistical assistance.
- 3) The DSTA Program has established links and cooperated with, or complemented a number of other multilateral and bilateral programs and initiatives, among others the United Nations Development Program (UNDP) Small Subsidy Program and the Inter-American Development Bank (IDB) with its Fondos Multilaterales de Inversion (FOMIN) to achieve similar goals in the small sustainable tourism sector.
- 4) The DSTA Program approach has begun to open spaces for cluster stakeholders to engage in a national dialogue on the participation of SMEs and CBOs in the provision of tourism and eco-tourism products and services.

Program Design and Implementation Strengths and Weaknesses. Among the most significant strengths and weaknesses are:

⁴ See Annexes 4 and 5 for the Spanish language questionnaires used for collecting information during June-July 2011 from interviews with respondents familiar with the DSTA Program.

- 1) The DSTA design comprises so many inter-related 'moving parts' – components, thematic areas, and activities subject to a wide spectrum of operational assumptions external to the Program (e.g., timeliness of USAID and GODR approvals where required) – that early implementation became difficult to coordinate effectively among Program implementers.
- 2) Awareness-raising events and training workshops were not systematically followed up with participant surveys and evaluations to document the extent to which participants have benefitted or changed. Largely, only numbers of event participants were recorded and reported. Site visits and talks with cluster participants, GODR representatives and key informants indicate that, despite meetings and workshops, there remains an uneven understanding of the sustainable tourism concept and the importance of developing and competitive tourism products and services as well as how to conduct effective marketing and promotion.
- 3) DSTA component activities were not implemented on a cluster-by-cluster basis. Instead, Program activities followed a similar cookie-cutter schedule of implementation rather than be customized and scheduled to reflect the respective conditions and preparedness of each individual cluster.
- 4) On-site visits confirmed that most of the tourism products financed by the DSTA Program grants funding (e.g., DESTINOS or INNOVATION) have yet to be completed; further, no tourism information centers (TICs) have been established.
- 5) The approval processes by USAID for program work plans and sub-contracts, and by the GODR (e.g., SEMARENA) for concessions, were much longer and more protracted than expected; this delayed implementation progress and threw component activities off schedule. These delays, combined with the lack of coordination between DSTA implementers, precipitated a course correction by USAID/DR in which the participation of Solimar, GWU, and the Nature Conservancy ended and implementation responsibility was put under both AED and CDCT.
- 6) The Program's accomplishments at tourism cluster strengthening among the nine original CPP and newer DSTA clusters have varied, as is to be expected from the range of rural conditions and variable membership capacity and understanding of cluster concepts and commitments.
 - a. The clusters of Barahona, La Altagracia, Puerto Plata, Romana/Bayahibe, and Santo Domingo have made good progress in member participation, work planning, management structure, tourism product development and marketing capacity building. At this juncture, their economic and competitive sustainability, beyond the end of DSTA Program support in 2012, is sound and expected to continue.
 - b. Despite progress made in their formation and advancement towards self-sufficiency, the Constanza, Jarabacoa, Pedernales, and Samana tourism clusters remain weak in their managerial, product development and marketing skills. They will require a continuation of DSTA or other funding support for at least the short-term and perhaps beyond to achieve financial viability and organizational sustainability.

- 7) The effectiveness of efforts to advance more inclusive eco-tourism development opportunities by strengthening local talent and community-based groups or SMEs was constrained by limited engagement tourism groups (tourism operators, travel agents, specialty channels or hotels) in building collaboration within the tourism sector. The marginalization of these tourism sector players in DSTA component activities has limited the scope of opportunities for using their channels of distribution and commercialization of cluster products and services (e.g., excursions, food concessions, handicrafts).

MAJOR EVALUATION CONCLUSIONS

- 1) There is a need for continued technical and management support to the CDCT to increase its leadership, coordination, and technical capability for the remainder of the program.
- 2) Although the Program has been formally presented in workshops and gatherings to most of the direct and indirect tourism cluster stakeholders, continued efforts are needed to strengthen cluster capacity to engage in the DSTA process. Implementing partners can often achieve more by working through participatory and representative processes and institutions that already exist to engage stakeholders in DSTA programs.
- 3) Continued efforts are also needed to identify and build working relationships with key public, private and NGO stakeholders in each cluster to improve public/private partnerships for marketing and promotion.
- 4) Operationally, the large number and frequency of awareness-raising, training and capacity building events implemented appears to have overburdened DR institutions, clusters and DSTA staff resources, and has reached a point of diminishing returns.

MAJOR EVALUATION RECOMMENDATIONS

Two principle recommendations emerge from the evaluation:

- 1) In the short run, employ these evaluation findings, conclusions and recommendations along with other DSTA Program resources to set priorities for re-directing and reducing the five component interventions from five to perhaps three during the final implementation year through September 30, 2012. In light of experiences from spreading DSTA staff resources too thinly, the Program should focus on eco-tourism development directly, not tangentially as has been done so far. The DSTA Program components pertaining to tourism/eco-tourism development in the DR should start with the creation and development of a tourism product with all its pieces together in order to market it successfully.
- 2) In the long run, utilize DSTA experiences and progress to date to construct a pragmatic foundation on which USAID/DR can strategize, prioritize, and design future tourism development assistance using funding from either – or both – the USG Global Climate Change (GCC) and Feed the Future (FtF) Initiatives to foster sustainability of Dominican terrestrial and marine biological diversity (in the case of GCC support) and to generate jobs from tourism employment among poor and marginal income areas of the country most at risk of food insecurity for lack of income and purchasing power (in the case of FtF). This longer-term engagement under these new USAID GCC and FtF initiatives offers the

opportunity to further secure financial viability and institutional sustainability of these organizations and firms, further testing the robustness of the Dominican cluster approach to small-scale local nature tourism enterprise development while placing the Dominican Republic on a firmer course of economically broad-based and environmentally sustainable growth.

INTRODUCTION

PROGRAM BACKGROUND

USAID/DR, through its Dominican Sustainable Tourism Alliance (DSTA) Program – also referred to in this report as “the Program” – is providing technical assistance to clusters of small private firms (SMEs), community-based organizations (CBOs) and selected government entities engaged in sustainable tourism projects in the Dominican Republic (DR). The ultimate goal of this five-year program is to better equip tourism SMEs and CBOs and their clusters – most notably those existing tourism clusters started up under an earlier USAID Competitiveness and Policy Project (CPP) – to become sustainable within the next five years. To achieve this goal, the Program is focusing on developing public-private collaboration as well as outreach to new development partners at the national, regional, and global levels that are led by stronger, more capable GODR agencies and non-governmental organizations (NGOs).

The purpose of the USAID-funded Dominican Sustainable Tourism Alliance (DSTA) Program is to “Increase small and medium business growth in an environmentally sustainable manner through market-driven tourism, ecotourism development, cluster linkage programs and activities, and environmental protection to reduce poverty for the less advantaged”⁵ which contributes to USAID/DR’s Economic Growth Strategic Objective of “increased sustainable economic opportunities for the poor.”⁶

Services and support under the DSTA Cooperative Agreement are provided by AED – the prime grant recipient and management partner – working under a Leader with Associates (LWA)⁷ Cooperative Agreement in partnership at the outset with fellow GSTA management group grantees George Washington University (GWU), The Nature Conservancy (TNC), Solimar International (SOL) and most recently the newly formed the Dominican Consortium for Tourism Competitiveness (CDCT, by its Spanish acronym). Eleven other international and Dominican conservation and tourism development organizations, academic institutions and consulting firms have been engaged in DSTA implementation but not as LWA grantees.

The expected results (outcomes) of the DSTA program, which began in November 2007 and ends in September 2012, are better equipped and strengthened local small, medium-sized and community-based tourism enterprises – most notably the existing or new tourism clusters – and public and non-governmental tourism entities, each with the capacity to sustain their operations once external funding from USAID/DR ends.

The DSTA Program’s development hypothesis is that appropriately designed and targeted interventions can build the sustainable capacity of local small firms, community based tourism organizations, and relevant tourism clusters to be self-sustaining, highly competitive participants within the DR’s highly competitive tourism market.⁸ In order to convert the development hypothesis into a working project, the DSTA implementers prepared a Life of Program Implementation Plan, 09/10/2007-09/30/2012, and a Revised FY2011 Work Plan Matrix, 4/28/11. The implementation plans detail the steps and procedures for providing technical

⁵ DSTA Annual Report, 2010

⁶ USAID Strategic Development Plan, 2004-2007

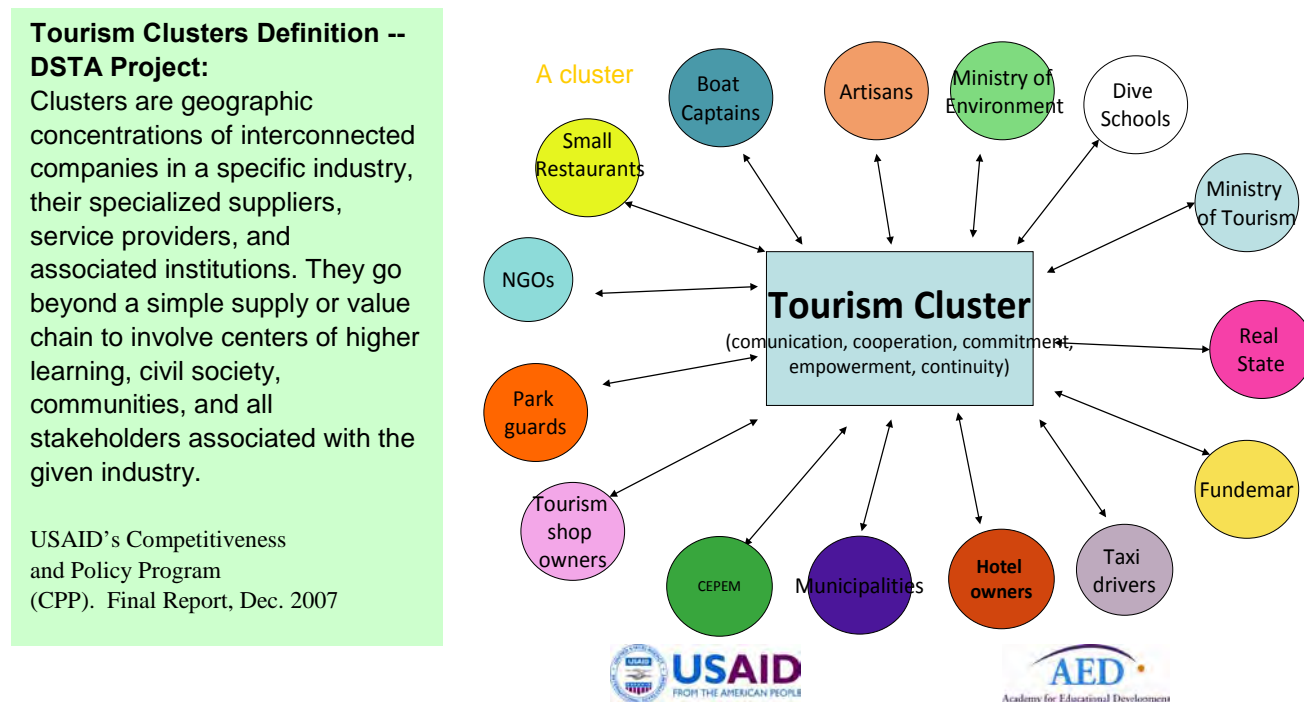
⁷ LWA awards are designed also to strengthen implementing partners themselves, particularly the CDCT in the case of the DSTA, during the course of Program execution. Under the LWA agreement between the AED and USAID, associate awards were issued without going through a competitive or sole-source justification process to quickly and easily access technical support from the partner grantees.

⁸ See USAID/DR Tri-Project Evaluation Scope of Work.

assistance and financial (grant awards) support to strengthen local small firms, community-based tourism (most notably in the existing tourism clusters) and relevant public and NGO entities.

All the work has been programmed through building the capacity of individual **tourism clusters** and assisting the formation of the Dominican Consortium for Tourism Competitiveness (CDCT) to independently sustain efforts once external funding from USAID/DR ends and to create lasting synergies among key stakeholders in the tourism sector. The DSTA is designed to enable the clusters and the CDCT to manage sustainable tourism initiatives throughout the country, support the diversification of tourism offerings, and develop a shared vision among the public and private sectors as well as the broader population for sustainable tourism in the DR.

Figure 1: Tourism Cluster Composition Structure and Definition



The DSTA Program has five primary components:

- 1) Institutional Strengthening (led by AED) with a focus on supporting the CNC and most recently the newly launched CDCT and related tourism cluster institutions;
- 2) Private Sector, Competitiveness and Market Access (led by Solimar International) with a focus on continuing to build the capacity of tourism clusters to develop, finance and market tourism products and services;
- 3) Conservation and Environmental Stewardship (led by TNC) with a focus on raising awareness and understanding about the country's rich terrestrial and marine biodiversity, how to mitigate the threats to biodiversity and how to better conduct tourism activities for sustainability of fragile natural ecologies;

- 4) Workforce Development (led by GWU) and focused on training and skills transfer workshops, including technical and university-level tourism and hospitality industry curriculum development with a special emphasis on equipping women and youth for tourism sector participation as employees of micro and small entrepreneurs; and
- 5) Social Development and Networking (led by AED) with support for cluster networking, print and electronic media communications in support of tourism sector promotion.

AED and CDCT also administer a Grant Awards program with separate USAID funds aimed at short-term capacity building events for which recipients' matching funds are mobilized and channeled in support of the other DSTA components.

PURPOSE OF THE EVALUATION

This evaluation is designed to determine whether the technical assistance is meeting the stated objectives and to provide a detailed picture of the major accomplishments and weaknesses of the DSTA Program since its startup. The Program includes tasks directed towards institutional strengthening and technical capacity building efforts, which necessitates considering a broad range of outside and possibly pre-existing factors.

In addition, the DSTA Program evaluation is designed to assist the USAID Mission by providing findings that will inform and respond to a practical evaluation question: "Should the United States Government (USG) increase, reduce, or otherwise focus its assistance to the DR in the area of building greater capacity for sustainable tourism in local SMEs, CBOs, and tourism Clusters?"

Overall, the DSTA evaluation serves as a mid-term assessment of project implementation and execution by measuring accomplishments against targets and deliverables. The timing of this evaluation is propitious for making recommendations regarding the utility and potential content of a fifth-year extension. In addition, the evaluation will provide a more informed basis on which USAID/DR can begin to formulate new strategies and design future assistance for the Dominican Republic (See Annex 1 for a full description of the Evaluation SOW).

EVALUATION DESIGN AND METHODOLOGY

The evaluation has used a mixed methods approach (documentation review, ‘ground truthing’ through site visits, and key informant interviews) to address the range of questions in the Tri-Project scope of work or task order.⁹ Although the Program to be evaluated was designed and launched before the new USAID Evaluation Policy, the evaluation applied the new USAID guidance in its information collection, analysis and reporting here. This is a performance evaluation conducted before DSTA program completion; assessment of the ultimate impacts attributable to the program must wait for a final evaluation after program completion.¹⁰

The focus of this evaluation is on progress to date in developing sustainable tourism clusters attributable to the DSTA program and the effectiveness with which the Program went about achieving that progress. The evaluation also assesses the performance of implementers in working together – their cooperation in planning, coordination in execution and their communication of critical management information. Equally, the evaluation examines the efficacy of the implementing team members’ relationships with GODR tourism and environmental entities and with the private tourism sector, SMEs, and CBOs engaged in or supportive of the Program.

As a performance evaluation, the methodology was aimed at helping to identify implementation problems and document progress. Furthermore, it has served to answer USAID’s specific evaluation questions. The evaluation methodology was implemented using a sequential-stages framework as follows:

First, review of pertinent documentation. Available secondary information, reports and documents produced as part of the DSTA Program have been particularly useful sources of information. Among others, the evaluation reviewed the following reports: the DSTA Preliminary Life of Program Implementation Plan, Preliminary Life of Program Implementation Matrix, *Mapeo del Contexto Nacional* (Corral, 2008 - Mapping the National Context), *Todos Bajo un Mismo Techo* (Corral & Weiss, 2008 - Whole-System-in-the-Same-Room), DSTA Annual, Semi-Annual, and Quarterly Reports, FY 2011 Annual Work Plan (revision 4/29/2011), and Performance Monitoring Plan (PMP).

Second, site visits to collect additional data and information, verify the status of activities in the field and to conduct a short survey to collect information about the project. The data were collected using the qualitative “Knowledge, Attitudes and Practices” (KAP) Analysis. A sample of the direct and indirect beneficiaries was drawn with the collaboration of local (DR) USAID officers and AED-DSTA project staff, and interviews were scheduled with these beneficiaries during the period of in-country evaluation fieldwork.

⁹ See Annexes 4 and 5 for the Spanish language questionnaires used for collecting information during June-July 2011 from interviews with respondents familiar with the DSTA Program.

¹⁰ Performance evaluations focus on descriptive and normative questions: what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period); how it is being implemented; how it is perceived and valued; whether expected results are occurring; and other questions that are pertinent to program design, management and operational decision making. Performance evaluations often incorporate before-after comparisons, but generally lack a rigorously defined counterfactual. (USAID, Evaluation Policy, January 2011)

Third, conduct interviews and meetings to obtain information from tourism sector stakeholders to gather their respective views and assessments (See Annex 3 for a list of interviewees and Annexes 4 and 5 for interview instruments used). Interview respondents included cluster executive directors/non-members and member representatives, cluster participants and beneficiaries, representatives of the Consorcio Dominicano de Competitividad Turística, Inc. (CDCT), representatives of the Ministry of Tourism and leaders and team members of the implementers – AED, GWU, SOL, and TNC. The tourism cluster’s channels of distribution and commercialization were explored and informal interviews were conducted with anonymous citizens. Importantly, the USAID/DR CTO and Chief Economist, who developed the Program, provided in-depth interviews as well as time to respond to analysis and findings.

Because the DSTA-funded activities entail comparatively long gestation periods, the evaluation results have been couched in terms of how much progress has been made and how effectively interventions were carried out to achieve interim targets. The evaluation, therefore, focuses mainly on the management of the process and on assessing the rate of progress in moving toward longer-term objectives, and when possible, on the attainment of specific, tangible results.

In this context, the evaluation of the DSTA Program provides feedback on the progress, potential challenges (barriers, constraints and problems), implementation, and coordination of its thematic areas and its corresponding activities. It also gives feedback on the likely outcome by the completion of the program and lessons for the future. Additionally, the evaluation examines whether the DSTA approach to cluster development has been effective, and hence, whether or not to provide further financial support for the DSTA Program in the short-run – its remaining fifth year of implementation – and in the long-run for further sustainable tourism activities in support of other emerging USAID strategic program priorities.

FINDINGS

Program Achievements. Despite design and implementation challenges that understandably beset a program with the number of moving parts and range of targets that characterize the DSTA, the program has registered some noteworthy achievements:

- 1) Program records in USAID/DR and the DSTA implementers' files, as well as interviews with key informants, document that: (a) there has been a gradual but noticeable uptick in the numbers of tourists that purchase tourism products and services – excursions, handicrafts, food and lodging – from the target populations of tourism clusters; (b) more than 700 jobs have been created; (c) SMEs and CBOs have generated more than US\$3 million in new tourism products development investment; (d) more than 4,000 people have received or participated in short training courses, seminars, workshops, and conferences; (e) more than 400 SMEs and CBOs have been administratively and technically supported; (f) more than 100 public-private meetings, dialogues, and consultations have been implemented; (g) more than 20 alliances, agreements, concessions, and co-management agreements have been signed; and (h) more than 100 environmentally sustainable practices and processes have been adopted.
- 2) DSTA records also show that the Program aided the nine original CPP tourism clusters in legally incorporating and making progress in: (a) spreading the concept of working together through cluster development; (b) building administrative, financial and marketing capacity; and (c) providing their SME and CBO memberships with grant-funded technical and logistical assistance.
- 3) The DSTA has established links and cooperated with, or complemented, a number of other multilateral and bilateral programs and initiatives, among others, the United Nations Development Program (UNDP) Small Subsidy Program (for example, the Angostura project in Jarabacoa cluster), as well as some of the Romana/Bayahibe cluster activities financed by the Interamerican Development Bank (IDB) with its Fondos Multilaterales de Inversion (FOMIN). There have also been links with other bilateral and multilateral programs.
- 4) Interview respondents confirm that the DSTA approach has been effective in raising awareness about what makes for sustainable tourism with regard to both financial capacity and environmental (ecological) viability. It has catalyzed a process of strengthening tourism cluster development and has better equipped local small firms to budget and manage their operations to assure their costs are covered and they begin to realize a return on their investments. Some selected courses, seminars and workshop activities undertaken to date are also increasing GODR awareness about the advantages of working with tourism clusters to increase tourism activities without risk to local land and marine ecologies.
- 5) Recent participation of the Santo Domingo cluster at the tourism fair in Spain (Feria Internacional de Turismo - FITUR) demonstrates a good performance in cooperative marketing, building up promotion and communication, and enhancing public domestic and international private partnerships to foster exposure and sell Santo

Domingo as a colonial and cultural tourism destination. This collaborative type of tourism marketing activity has allowed the Santo Domingo cluster to launch its brand campaign to the public and attract interest in the region.

- 6) Completion of a small investment project in Jarabacoa, “*Art Gallery and Local Artisan Commercial Center (Vida Para Todos Movimiento Universal Unidad Valores Arte-MWVA,*” where project identification and development were well executed, technical and financial assistance was timely delivered, and monitoring put firmly in place, demonstrates that a program like the DSTA Program can, indeed, effectively provide the needed framework to bring coherence to setting and implementing SME/CBO priorities.
- 7) Although the nature of participation has varied depending on institutions’ political structures, traditions, institutional capacities, and their respective starting points, the DSTA Program cluster approach has opened space for stakeholders to engage in a national dialogue on tourism/eco-tourism development, SMEs, CBOs and poverty reduction.
- 8) Five of nine clusters have advanced in economic sustainability. The clusters of Barahona, La Altagracia, Puerto Plata, Romana/Bayahibe, and Santo Domingo have made progress in membership participation, work direction, structure, tourism product development and marketing capacity building. At this juncture, their economic and competitive sustainability, without DSTA Program paying salaries, is sound and expected to continue.

Program Design and Implementation. The evaluation highlights several well-documented design and implementation weaknesses and challenges. Among the most significant of these are the following:

- 1) The DSTA Program design comprises so many inter-related ‘moving parts’ – components, thematic areas, and activities – that it becomes impossible to assign accountability between implementers, USAID DR, tourism clusters, participants, and the tourism value chain stakeholders. As a consequence, the complexity of the design did not translate into concrete and focused terms of reference for integrated work plans by the consortium members. These terms of reference are vital for achieving cluster development and sustainability, building relationships as well as SME and CBO tourism development results, and enhanced GODR tourism institutional capacity building at the national level.
- 2) The design of the DSTA’s work program was primarily based on two workshops: “Mapeo del Contexto Nacional” of 31 March 2008, and “Todos Bajo un Mismo Techo” of 18-20 April 2008 which gave low priority to building knowledge of tourism products and their marketing and promotion. Consequently, the Program’s development hypothesis, “appropriately designed and targeted interventions,”¹¹ was sidelined.

¹¹ For the complete hypothesis see *Corral, 2008, p. 30; DSTA, 2011a, 2008.*

- 3) All of the activities proposed under the DSTA Program were accorded equal weight and implemented at the same time in spite of the priorities identified in the initial “Whole-System-in-the Room” planning exercise. It was found that the requirements of the clusters are different, and the particular activities implemented were not selected on a cluster-by-cluster-case basis by the DSTA team. The risk of attempting too much too quickly was not recognized, and the emphasis was on starting multiple activities, simultaneously. In addition to lack of coordination among the implementers, the DSTA Program has not been systematically monitored beyond reporting progress toward its seven basic results targets. In this context, when progress or results were deemed to be unsatisfactory, its activities were not reduced or discontinued on time. On the contrary, more activities were added – among others, tangential seminars and workshops, Dominican Treasures (DT), Alianza de Turismo Alternativo y Sostenible (ATAS), and Destination Management Organizations.
- 4) On-site visits confirmed that none of the tourism products financed by DSTA Program grants (namely DESTINOS and INNOVATION) have been completed and no tourism information centers (TICs) have been established.
- 5) Due to lack of focus and diversion of staff resources to the support of other activities (e.g., DR/ATAS, DMO), very little has been done in advancing the TICs’ activity. Moreover, some of the clusters did not participate in this process. In this context, what has been done in Santo Domingo, Romana/Bayahibe, and Barahona could be replicated. For example, in the case of Barahona, under an INNOVATION grant, its TIC can be expanded in physical infrastructure, tourism networking, communication material, and services.
- 6) The approval processes by USAID for program work plans and sub-contracts and by the GODR (e.g., SEMARENA) for concessions were much longer and more protracted than expected; this delayed implementation progress and threw component activities off schedule. These delays, combined with the lack of coordination between DSTA implementers, precipitated a course correction by USAID/DR in which the participation of Solimar, GWU, and the Nature Conservancy ended and implementation responsibility was put under both AED and CDCT.
- 7) Despite the overall progress made in cluster development, those of Constanza, Jarabacoa, Pedernales, and Samana remain weak and fragile in terms of structure, organization, tourism product development and marketing capacity building. At this juncture, their economic and competitive sustainability, without continued DSTA Program funds and support, is in doubt. In part, this is the result of dependency on DSTA Program-provided salaries and weak structural configuration. The other significant part is low membership. Key constraints identified by the evaluator are extensively documented. The cluster development problems include poor tourism physical infrastructure, inadequate tourism product development capability, weak marketing capacity, weak organizational capacity of key private and public institutions in the tourism value chain, poorly trained workers and lack of quality standards.

- 8) There is a delay in tourism infrastructure investment and thus completion dates for some SME and CBO tourism products could be carried out or extended until September and for some perhaps until December, 2011.
- 9) The effectiveness of efforts to advance more inclusive eco-tourism development opportunities by strengthening local talent and community-based groups or SMEs was constrained by limited engagement tourism groups (tourism operators, travel agents, specialty channels or hotels) in building their collaboration with and support for the nascent DSTA-supported tourism clusters. Aside from the WSR activity at project launch, there has been only tangential engagement of important tourism stakeholder groups, notably, those that control important commercial distribution channels for tourism products and services – tourism operators, travel agents, specialty channels, hotels and other groups. This has limited the scope of opportunities for tourism clusters to use these channels of distribution and to commercialize cluster products and services (e.g., excursions, food concessions, handicrafts.)
- 10) Dominican Treasures (DT) and the Dominican Alliance for Alternative and Sustainable Tourism (ATAS) are not trusted by members of the tourism community. Over the period of the evaluation, extensive consultations (See Annex 9 for quotations) were held with all members of the tourism value chain regarding the thrust of the new activity effort called Dominican Treasures (DT) and Alianza Dominicana de Turismo Alternativo Sostenible (ATAS-Dominican Alliance for Alternative and Sustainable Tourism). The consensus among respondents is that (i) DT/ATAS development is not a good idea; (ii) its premise is false – it will not improve cluster coordination and development, it will not have tourism value chain stakeholders' participation and support, and it is not sustainable; (iii) it does not have a solid, sustainable economic foundation; (iv) its tourism demand analysis in support of its business plan is flawed at best; and (v) it will not support progress for the overall clusters' objective. On the contrary, DT/ATAS will ultimately alienate the tourism value chain stakeholders. Furthermore, the majority of the clusters do not agree with the ATAS, and many of the staff who work for the clusters – and are paid by the DSTA Program – know very little of the ATAS.

CONCLUSIONS

The evaluation findings lead to the following conclusions:

- 1) While the DSTA Program has been formally presented to many of the direct and indirect tourism value chain stakeholders, continued efforts are needed to strengthen cluster capacity to engage in the DSTA process. Implementing partners need to be aware of (and not bypass) participatory and representative processes and local institutions that already exist.
- 2) Little progress has been made in public/private partnerships, alliance build up, or co-op marketing and promotion between the DSTA Program, MITUR, and private tourism sector operators – domestic and international, and (ii) continued efforts are needed to identify stakeholder groups that are important in each cluster and to put processes in place for their engagement in the DSTA Program. Meaningful alliances can help enhance the quality of tourism development management strategies. It is important to be clear with the DSTA Program implementers that they understand that establishing their core tourism foundation requires establishing relationships, educating and working with partners, creating appropriate infrastructure, and ensuring the proper resources to ensure the right tourism growth is in place. For the fifth year, enhancement and improvement in those areas (building relationships) will position the DSTA Program's created and developed tourism products and services to contribute to job creation, income growth, economic development in SMEs and CBOs, and improved standards of living in DR.
- 3) The large number of awareness raising and training events conducted – short courses, seminars, workshops, and conferences - has overburdened DR institutions, clusters and available staff resources. It has even stretched the capacity of GODR and tourism cluster entities to assure adequate member attendance. The Program technical assistance is often perceived as supply-driven, or imposed as a price for financial assistance rather than a response to the demand of or response to the specific needs of tourism clusters. At least that was the way that this was expressed by some of the clusters and other tourism cluster stakeholders.
- 4) Not nearly enough local skills and institutions are being systematically built, technologies are being transferred effectively, and lasting indigenous capacities are not being developed. Efforts towards and commitments to tourism/eco-tourism capacity-building need to be better focused and coordinated. At the same time, the commitment of clusters to those same capacity building goals as well as their willingness to utilize management skills must also be reaffirmed. Implementing partners can support cluster efforts to refine goals, targets and indicators, as well as strengthen links to public actions, through coordinated, demand-driven support for tourism product development and capacity building. Training should be re-directed in support of SME and CBO capacity building, for example, marketing plans, means-tested Familiarization Trips, an operational website, and promotional material that will give SMEs and CBOs direct access to new markets in order to increase sales.

- 5) By working in a cluster mode, the implementing partners are chipping away attitudes that have been barriers/impediments to cluster development in the DR. Working under the cluster umbrella has created a space for dialogue and has promoted communication and stakeholder collaboration. DSTA Program investments in tourism product development have set the stage for SMEs and CBOs to be integral parts of overall tourism development in the DR.
- 6) Tourism product identification and development. Timely completion of the small investment project in Jarabacoa, *Art Gallery* and *Local Artisan Commercial*, where project identification and development were well executed, technical and financial assistance promptly delivered, and monitoring put firmly in place, demonstrates that the DSTA Program can provide the needed framework to bring coherence to supporting SMEs/CBOs in prioritizing effectively.
- 7) Although the tourism product development grants (DESTINOS, INNOVATION) experienced delays relating to legal matters, procedures and execution challenges, it is expected that all the tourism products can be completed by the end of 2011.
- 8) Parallel implementation generated very little coordination and leadership. The perception that the implementers are working individually in a parallel motion needs to be eliminated. In this context, implementers' teamwork and close coordination is a must. Because the CDCT does not have the appropriate technical capability at this juncture, there is need, during a short period, for added technical support to guide it during the fifth and final DSTA Program year.
- 9) Tourism/eco-tourism development in the Dominican Republic should start with the creation and development of a tourism product with all its pieces together in order to sell it. This is probably the most difficult facet of the entire DSTA Program relationship. As suggested by the President of OPETUR (Tovar, 2011), and other clusters and members of the tourism value chain, the DSTA Program Dominican Treasures should develop one or two products at a time. Create the alliances and above all the knowledge of "how to sell" this type of product and before taking on other products.
- 10) Joint tourism product development and marketing is a must. In most cases, joint cooperative tourism cluster stakeholder efforts – public/private, domestic/international – will be both the most effective and the most profitable. However, many of these stakeholders are in competition with each other. Such activities are vital for the DSTA Program SMEs and CBOs.

RECOMMENDATIONS

Two principle recommendations emerge from the evaluation:

SHORT-RUN – REMAINING IMPLEMENTATION YEAR 5

In the short run, employ these evaluation findings, conclusions and recommendations along with other DSTA Program resources to set priorities for re-directing and reducing the five component interventions from five to perhaps three during the final implementation year through September 30, 2012. In light of experiences from spreading DSTA staff resources too thinly, the Program should focus on eco-tourism development directly, not tangentially as has been done so far. The DSTA Program components pertaining to tourism/eco-tourism development in the DR should start with the creation and development of a tourism product with all its pieces together in order to market it successfully.

This is probably the greatest challenge for the DSTA Program. As suggested by the President of OPETUR (Tovar, 2011), and other clusters and members of the tourism value chain, the DSTA Program “Dominican Treasures” should develop one or two products at a time, create alliances, and above all cultivate the knowledge of “how to sell” this type of product before moving on to other products.

While the original DSTA Program’s basic objectives are long-term, the chances of success will be improved if the Program continues to achieve tangible results in its fifth and final year of implementation. Therefore, it is important to generate enough momentum to demonstrate effectiveness. The final fifth year (until September 2012) should focus on establishing visibility and relationships with tour operators, travel agents, and media; educating and working with partners; creating infrastructure appropriate to target tourist clients; and ensuring quality tourism product availability

The ultimate goal of the five-year program remains unchanged: “to better equip and strengthen local small firms, community-based tourism organizations, and the existing nine clusters to make significant progress to become sustainable.” To achieve this DSTA goal, the Program’s fifth year should focus on accomplishing three principal objectives: (1) enhanced cluster capacity to identify and develop tourism products and services that appeal to domestic, regional and overseas tourists and to launch and operate tourism information centers; (2) better cluster capacity to market their tourism/eco-tourism attractions; and (3) improved technical, administrative, communications and advocacy skills, particularly among women and youth to function effectively in the tourism sector as employees or SME owners/operators.

The proposed fifth year or final phase of the current DSTA Program should include substantive corrections in its direction and interventions which will strengthen and build on those activities that currently are functioning effectively in achieving those three objectives. From the standpoint of DSTA organization and operations, the Evaluation proposes that the Implementers reduce current Program components from five to three. Activities under the components we suggest be eliminated can either be cut back or integrated into the three proposed for retention and re-direction.

Specifically, the evaluation suggests that the following two components are better addressed as cross-cutting themes with their relevant activities incorporated into the three components that should be retained and redirected towards clusters that focus directly on nature tourism, econ-

tourism and green tourism products and services. The two components recommended for integration into the other components in Year 5 are:

Component 1 – Institutional Strengthening. (Eliminate and integrate activities elsewhere). Certainly, there are needs for additional administrative and technical capacity building within a new entity like the CDCT, which is only now emerging from the embryonic stage of its launch to become a fledging organization still to make its mark in the tourism sector. The evaluation does not suggest that CDCT institution building support be suspended. Rather, since CDCT is now a partner to AED in DSTA implementation, there is a special opportunity for its staff to ‘learn by doing’ and for CDCT to build its facilities to respond to its contractual mandate with AED and USAID.

Component 3 – Conservation and Environmental Stewardship. This component in Year 5 becomes a cross-cutting theme that would be integrated into all DSTA activities as part of the process of focusing on building sustainable nature tourism capacity within tourism clusters. For example, tourism clusters located in communities in or near buffer zones around protected areas would be supported with special orientation and skills development in sustainable terrestrial and marine habitat management through sustainable extraction and use of habitat services (nature guides, recreational and adventure use) and products (exotic genetic materials for plant nursery stock, forest canopy zip line operation, marine scuba diving and whale watching services).

We propose that three components be retained, focused and strengthened with activities drawn from the two eliminated components. The components to be retained, modified and refocused are:

Component 2 – Private Sector Competitiveness and Market Access. This component should focus on addressing recognized shortcomings among tourism clusters to develop and implement market strategies aimed at particular target populations. Important here would be continued support for trade markets, branding of tourism products and services and green (e.g. Rainforest Alliance, Bird Friendly, and Fair Trade) certifications that differentiate cluster products and services.

In order for the Program to realize the potential of tourism and to sustain growth in the SMEs and CBOs it must create or produce a tourism product. Having a tourism product is a critical need and an area where certain well-focused interventions can yield improved results in the short-run at reasonable costs. The overall objective of this component is to enhance the clusters’ ability to identify, create and develop tourism products that appeal to domestic, regional and overseas tourists. Activities could include:

- Existing inventories will be used to identify potentially ready tourism products. In the fifth year, however, all SME and CBO tourism products in the pipeline must be completed; examples include Jarabacoa (The Ecolodge Sonido del Yaque, Junta Yaque, Salto de Jimenoa 1), Puerto Plata (Loma Isabel de Torres), and Constanza (Salto de Aguas Blancas).
- Create or refurbish and test one or two websites, brand name and image, logo and tagline.

- Develop at least one or two cluster tour route packages, create alliances, familiarization trips and above all the knowledge of “how to sell this type of product,” and then continue with the other products (Tovar, 2011). The chain development tour package has to be implemented by the end of the DSTA Program’s fifth year.
- Expand/establish at least one tourist information center, for example, the expansion and enhancement of the Barahona TIC.
- Compile tourism sector inventory of the cluster and/or a tourism destination. This includes hotels/lodges, restaurants, transportation to and within the destination, attractions, shopping, and other influential elements that will provide potential tourists with clear information of what is being offered within the cluster as a tourism destination and how to access it. For example, the DSTA Program tourism attractions such as the Upper Yuna Basin - Federacion de Campesinos Hacia el Progreso (Bonaio, Constanza), Sonido del Yaque and Complejo Ecoturistico Angostura (Jarabacoa), and so on.
- Use information gleaned from tourism product development activities or existing inventories to identify tourism products. The DSTA Program should then attempt to link different tourism products together to form themed tour-routes and packages. This should be done in collaboration with private sector domestic tour operators. For example, there may be a Salto/Angostura Trail that is already identified, but segments may not have any current impact from tourist visits because there are currently no trail-site markers. Basic tourist services along part of the route may be non-existent – such as the Angostura Trails. The entire Salto/Angostura Trails route should be identified and mapped under the DSTA Program.
- Configure tour routes of various lengths that can be added together to form longer itineraries. The various connections or links of a possible tour package chain within the DR can be separated into two or more segments that different tourism operators may wish to combine in different ways with other segments, possibly from other regions, to create their own tour packages. For example, tour route (with the DSTA tourism products) Jarabacoa-Constanza, or Jarabacoa-Constanza-Barahona, and so on. The strategy here is to develop a number of tour itineraries within the DR that have the flexibility to cater to the approaches that organized tour operators and their customers prefer.
- Locate, develop and manage tourist information centers in consultation with stakeholders, including the Ministry of Tourism, the Office of the Major, the clusters and private sector representatives.

Component 4 – Human Resource Development and Institutional Capacity. The overall objective remains unchanged, but the focus would be on transfer of knowledge and skills that would be particularly suitable for molding employees and business operators in the eco-tourism sector. Selected activities under this modified component include:

- Help CBOs and SMEs in direct ways by working with a designated tourism destination to help and prepare them to become more effective website users and e-commerce marketers for increased profitability. Direct advice and technical assistance is frequently more efficient than seminars in that tourism business challenges can be directly assessed and custom solutions implemented immediately. This work should be completed in conjunction and consultation with DR channels of distribution and commercialization in order to simultaneously enhance the marketing campaigns and planning capabilities of SMEs and CBOs.
- Conduct eco-tourism business development training workshops with the SME and CBO participants should consist of intensive evaluations and meetings to discuss product offerings, pricing, profitability, operations, marketing and overall tourism business strategies.
- Work with universities and technical training institutes to develop nature tourism-based course curricula targeted in particular towards youth and women.

Component 5 – Social Development and Networking. The re-defined Component 2 combines parts of components 1 and 4 as well of the original DSTA Program. The program should also encourage cooperation and alliances between the public and private sectors (domestic, regional, and international) to ensure that the necessary infrastructure (both physical and policy) to facilitate tourism development is in place.

In order for the clusters, SMEs and CBOs to realize the potential of tourism and to sustain growth in the sector, their tourism attractions should be marketed effectively to the domestic and international markets. Marketing and promotion is a critical need and an area where certain well-focused interventions can yield improved results in the short-run at reasonable costs. In order to establish a strong tourism brand name it is critical to put together a very comprehensive, strategic step-by-step approach to establishing the appropriate marketing foundation, and then position it in the tourism market place. This process is not a quick one.

Recent participation of the Santo Domingo cluster at the tourism fair in Spain (FITUR) demonstrated good practices in cooperative marketing, building up promotion and communication, as well as enhancing public domestic and private international partnerships to plant exposure and sell Santo Domingo as a colonial and cultural tourism destination. This co-op type of tourism marketing activity has allowed the Santo Domingo cluster to launch its brand campaign to the public and attract interest in the region. This is an activity that should be replicated and applied to other clusters and tourism destinations.

The overall objective of this component is to enhance the clusters' ability to market its SME and CBO tourism endowments and to develop tourism products that appeal to international, regional and domestic tourists. Illustrative activities under this modified component include:

- Develop at least one product of a cluster tour-package chain by the end of the fifth year of the Program. Then, it should be promoted to attract a positive partnership with domestic and international tour operators. At least, one

Familiarization Trip should be made with tour operators by the end of the fifth year of the program. The tour package should be means-tested domestically, and, eventually internationally, to ensure that they are indeed the types of packages that can be effectively sold to the markets for which they are intended. In short, the objective is to create alliances with direct and indirect partners to help promote tourism to niche audiences.

- Conduct at least one brand/image-targeted marketing campaign for a defined area, such as cultural, gastronomical, spa/health, adventure, canopy, bird watching, etc. It should be implemented by the end of the fifth year of the program. Increased levels of positive consumer/trade awareness of specific cluster(s) and/or the DR as an eco-tourism destination should be the result.
- Devise strategies that support an aggressive marketing campaign. Development of a single marketing plan will be the centerpiece of several crosscutting activities that will not only contribute to the marketing objective but also to the human resource development and capacity building objectives as well.
- Lead familiarization trips for key tour operators, media, travel agents, incentive buyers, and trade shows to foster alliances with direct and indirect partners. Partnership promotion will cut across all major DSTA Program activities and objectives. For example, establish contact and negotiations with targeted partners. Set up on-site and conference call meetings with specific tourism distributors.
- Target marketing campaigns and media using clusters' distinctive tourism products, such as those which are environmentally friendly, to secure tourists. All this will lead to an increased level of positive consumer/trade awareness of the DR as a tourism/ecotourism destination through targeted media exposure in consumer and trade media.
- Conduct specific training and technical assistance provided to SMEs and CBOs and other selected stakeholders on how to market themselves. For example, targeted trainings and workshops on website operations and management for tourism suppliers and/or on marketing and promotional strategy development, including consumer and trade database creation and compilation, sales material, consistent messaging and communications.

SHORT-TERM RE-DIRECTION IN MANAGEMENT AND OPERATIONAL STRUCTURE

Implementation of these three, more consolidated components affords AED and CDCT with more scope to work as a unified team. USAID/DR should assume responsibility for overall project technical management. The financial management will continue with the company that bought the AED. It will provide financial support to the CDCT to finalize a smooth transition, oversee procurement and sub-contractual finances, manage the budget, track home office and field office expenditures, and develop in conjunction with the CDCT (as part of the technical support to the CDCT) formal financial reports as required.

Further, human and financial resources need to be pooled to meet a variety of cluster and region-specific requirements in a short-term and cost-effective fashion. In this context, the real test of the re-direction of the DSTA Program, of course, will be how effective its implementers work together as one team. The monitoring and evaluation system should provide early feedback on the progress, potential challenges, and coordination of the components as well as the likely outcome and lessons for the future. In this context, the evaluator suggests that the DSTA Program adopts two operational principles:

During the fifth year, all DSTA Program activities will have to be framed as projects so that implementers and USAID/DR can use conventional project monitoring techniques to track project inputs (money, equipment, and staff) and outputs (progress). The objective(s) of an activity or project will have to be specified in operational terms to permit a meaningful evaluation, such as assessing the use of resources and the timetable to make sure that outputs are being produced in a timely and cost-effective way.

LONG RUN – AFTER DSTA USAID/DR FUNDING SUPPORT ENDS

In the long run, utilize DSTA experiences and progress to date to construct a pragmatic foundation on which USAID/DR can strategize, prioritize, and design future tourism development assistance using funding from either or both of the USG Global Climate Change (GCC) and Feed the Future (FtF) Initiatives for fostering sustainability of Dominican terrestrial and marine biological diversity (in the case of GCC support). This will also generate jobs and incomes from tourism employment among poor and marginal income areas of the country most at risk of food insecurity for lack income and purchasing power (in the case of FtF). This longer-term engagement under these new USAID GCC and FtF initiatives offers the opportunity to further secure the financial viability and institutional sustainability of these organizations and firms, further testing the robustness of the Dominican cluster approach to small-scale local nature tourism enterprise development while placing the DR on a firmer course of economically broad-based and environmentally sustainable growth.

This evaluation provides a more informed basis on which USAID/DR can begin to plan its strategic approach, set its priorities, and design its future assistance to the DR under the Economic Growth Strategic Objective currently being redefined by the Mission. This evaluation observes the DR's tourism development, with its longstanding ties to the agricultural sector and its developing linkages with other sectors of the economy, as the sector that can provide the greatest opportunity to contribute to lasting change in poverty reduction through increased employment and business activity.

In this context, the evaluation recommends that USAID/DR continue to engage some of the DSTA institutions it has been supporting – particularly the CDCT and some of the appropriate (from the standpoints of location and current stage of sustainability) community-based tourism clusters – to both: a) improve the island country's capacity to conserve its biological diversity under the USG's Global Climate Change (GCC) initiative; and to b) improve the country's food security under the USG's Feed the Future (FtF) initiative by generating sustainable tourism-based jobs and incomes, particularly in ecologically rich but economically poor and low-income areas of the country.

LESSONS LEARNED AND BEST PRACTICES

1. The evaluation points to one important lesson, among others: Ambitious development plans, lack of priorities, blurry thematic areas, and too many activities complicated by management, financial, and leadership problems and lack of transparency and accountability will result in slow progress in reaching objectives. To provide a *framework* for supporting ambitious development plans, such as those of the DSTA Program, alternative scenarios need to be mapped out to assure that needs like adequate management, meaningful monitoring, and critical technical skills are addressed. Going forward, such a framework calls for viewing sustainable tourism implementation more explicitly through an accountability lens and strengthening its approach as a platform for scaling up assistance.
2. Sustainable tourism priorities and goals can be framed against the backdrop of the economic growth and poverty reduction strategy, but they need to be customized to cluster conditions. A national tourism cluster development strategy can provide the context for building up and improving partnerships between the DSTA Program, government, external partners, and other domestic stakeholders.

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ANNEX 1: EVALUATION SCOPE OF WORK

AID-517-TO-11-00001
DR-CAFTA Tri-Project Evaluation

SECTION C - DESCRIPTION/SPECIFICATIONS

C.1 EXECUTIVE SUMMARY

The team includes evaluation experts with strong technical skills and understanding of the context for the proposed evaluations. We have proposed a robust methodological approach for evaluating the program; an aggressive implementation plan that will complete the evaluations in a timely and effective manner; and a proposal that is responsive to Administrator Shah's renewed emphasis on rigorous program and project evaluations.

The team will conduct evaluations of the DR-CAFTA Implementation Project (DR-CAFTA IP), the Rural Economic Diversification (RED) project and the Dominican Sustainable Tourism Alliance (DSTA) program. The team will also prepare a Final Integrated Evaluation. The evaluations will allow the Mission and implementers to make mid-course corrections. Additionally, the evaluations will aid the Mission to assess how its support to the Dominican economy has contributed to the Mission's Strategic Objective (SO-1) of "Increased sustainable economic opportunities for the poor" by achieving - Per its IR 1.1 - "Improved conditions for a more competitive Dominican Economy." Finally, the findings, conclusions and recommendations from these evaluations will support the Mission as inputs for learning and future planning.

To conduct these evaluations, the team will use a mixed-method approach that draws on the following evaluation methods:

- Qualitative Measures of Organizational Development (Capacity Building)
- Qualitative Knowledge, Attitudes and Practices (KAP) Analysis
- Quantitative Quasi-Experimental Design Comparisons
- Cost-Effectiveness Analysis

The team will work in consultation with the Mission to finalize the methods given priorities identified during the orientation and data available. The newly released USAID Evaluation Policy and updated ACS Chapter 203 "TIPS" for impact evaluations will serve as guiding principles for the application of these methods.

The team will also ensure that the evaluations include sex disaggregated data when relevant and possible; a focus on GODR counterpart, local stakeholder and beneficiary engagement; and will ensure reporting quality and evaluation best practices.

It is included a comprehensive and practical implementation plan that incorporates USAID, DR-CAFTA IP, USAID/RED, and DSTA implementing partners and stakeholders, and includes time for document review, data collection, key site visits, briefings and ample time for sharing findings and recommendations with USAID and implementing partners.

The team will begin with three weeks of primary and secondary data collection that will include extensive interaction with USAID, projects/program implementers, and beneficiaries. The fourth and fifth weeks of the evaluation will be devoted to analysis and presentation of initial findings. During weeks six and seven, USAID will review the draft evaluations, and during weeks eight and nine, the team will revise these drafts and submit the final Project Specific Evaluation Reports and the Final Integrated Evaluation. The team will consult with USAID and project implementers throughout the entire process.

ACRONYMS

AMAP	Accelerated Micro-enterprise Advancement Project
AMEX	AMEX International, Inc.
CAFTA-DR	Central American Free Trade Agreement (including the Dominican Republic)
CNC	National Competitiveness Council (Acronym for Spanish title)
CODOPYME	Dominican Confederation of Small and Medium Enterprises (Spanish acronym)
CONEP	National Council of Private Business (Acronym for Spanish title)
COP	Chief of Party
DICOEX	Directorate of Foreign Trade (Acronym for the Spanish title)
DSTA	Dominican Sustainable Tourism Alliance program
FTF	Feed the Future initiative of the US President
GODR	Government of the Dominican Republic
IQC	Indefinite Quantity Contract
IR	Intermediate Result
KAP	Knowledge, Attitudes and Practices
M&E	Monitoring and Evaluation
PC	Participación Ciudadana
PID	Democratic Initiative Project
PPL/LER	Policy, Planning and Learning office of Learning, Evaluation and Research
RED	Rural Economic Diversification project
SEA	State Secretariat for Agriculture
SET	State Secretariat for Labor
SME	Small and Medium Enterprises
SO	Strategic Objective
SOW	Scope of Work
US DOL	US Department of Labor
USAID	United States Agency for International Development
USG	United States Government
USTR	United States Trade Representative
WTO	World Trade Organizatio

C.2 BACKGROUND

It has been four years since the Government of the Dominican Republic (GODR) ratified the Free Trade Agreement for Central America and the Dominican Republic (DR-CAFTA). This time period provides an excellent opportunity to identify and examine institutional changes, particularly those related to the three areas supported by the Mission: DR-CAFTA agreement compliance, rural economic diversification and sustainable tourism.

The team understands that the evaluations will allow the Mission to make mid-course corrections in the on-going projects and programs, as well as to design new strategic initiatives for the next planning cycle. Above all, implementing the Statement of Work (SOW) will enable the Mission to be fully responsive to the USAID Administrator's renewed emphasis on rigorous program and project evaluations both to document impact attributed to Agency interventions, as well as to learn from past experiences about what works well and why.

Learning from project performance. The Mission has allocated significant resources to improve the GODR's capacity to cultivate, in the context of CAFTA-DR incentives and rules-based trade, reforms that foster export-led diversification of its economy. The Mission's operating hypothesis is that effective implementation of trade reforms can improve the competitiveness, reduce the risks and increase the income earning potential of small and micro entrepreneurs in the agriculture and tourism sectors as part of the Mission's overall strategy to alleviate poverty.

The evaluations will help the Mission assess how its support to the Dominican economy - through DR-CAFTA implementation, rural enterprise development and sustainable tourism - has contributed to the Mission's Strategic Objective (SO-1) of "Increased sustainable economic opportunities for the poor" by achieving - Per its IR 1.1 - "Improved conditions for a more competitive Dominican Economy."

The team will evaluate contributions of the three Mission projects/program to achieve the Mission's strategic objective outcomes. The team will examine how these outcomes are manifested and measure the extent to which they have increased economic opportunities, particularly for the poor. The DR-CAFTA Implementation Project (DR-CAFTA IP), the Rural Economic Diversification (RED) project and the Dominican Sustainable Tourism Alliance (DSTA) program each contribute to the core concern of 'sustainability' by focusing on 'economic competitiveness' which is a common pre-requisite of sustainability. It is economic competitiveness and opportunity - central to all three of these projects - which the team will use as focus of its evaluation's findings, conclusions and recommendations.

Looking ahead to new strategic interventions and initiatives.

The team will also work with the Mission to focus its findings and conclusions to look forward toward the implications for future strategy and projects/programs. For example, will explore how the projects/program lay the groundwork and provide opportunities for the Mission to implement new Presidential initiatives including Food Security (Feed the Future) and Global Climate Change mitigation. Creating jobs, as well as increasing and diversifying the country's rural economic base - and with it increased production, employment, trade and incomes - contributes directly to the capacity and security of Dominicans in having the capacity to meet the food needs of their households. The fashion with which production takes place can be environmentally positive, as well as enhance Dominican competitiveness (e.g., by cultivating organic crops, conserving water, and sustainably harvesting and using forest products).

In summary, the evaluation findings, conclusions and recommendations from team's evaluation will be presented in a format that provides the Mission with inputs for its next strategic planning cycle. In that context, the team will examine the extent to which the three projects/program have contributed not only to the Mission's current strategic objective of sustainable competitiveness and economic opportunity, particularly for the country's poorest households, but also the degree to which these projects/program have laid the groundwork for food security and environmentally sustainable production. Based on those findings, the evaluation will provide conclusions and recommendations to assist the Mission in designing new programs to implement the two presidential initiatives.

While each of the projects/program evaluation reports will emphasize respective contributions to future USAID programming, the Final Integrated Evaluation will emphasize how these three projects can best mutually reinforce each other. It will also lay foundations for new interventions to address new Presidential Initiatives and achieving the overall objective of competitive and (environmentally) sustainable economic opportunities and livelihoods for poverty eradication in the Dominican Republic. The Final Integrated Evaluation will also highlight over-arching lessons learned and best practices that can be mutually shared among the three projects/program implementers and counterparts - as well as implementers and counterparts in other parts of the USAID/DR assistance portfolio - to best conduct their interventions.

C.3 METHODOLOGY AND TECHNICAL APPROACH

C.3.1 Evaluation Objective

Mission management is an important 'first client' for the evaluation findings, conclusions and recommendations but the team believes that the evaluations can serve a broader audience of users as well.

The evaluations provide the opportunity to hold the three implementing partners and their staffs accountable in terms of how well they have achieved tangible results and substantive impact. In turn, the Mission is responsible for disclosing findings to a broad range of stakeholders. The team will conduct the evaluation as a learning and motivating tool for program implementers to benefit as well help them to understand what is working and why.

The evaluation also sends signals to GODR agencies and private sector firms and organizations that USAID is concerned about making lasting changes in the capacity - and competitiveness - to move the Dominican Republic onto a new economic growth trajectory consistent with the country's revealed comparative advantage in domestic and international markets, particularly in the context of DR-CAFTA. Where, for example, are the emerging niche markets for Dominican agricultural produce abroad? For Dominican tourism services nationally? The evaluation can serve as a useful tool for advancing the GODR's agenda for economic growth, employment creation and poverty alleviation.

C.3.2 Evaluation Methodology

The team is aware that the Agency has issued a new "USAID Evaluation Policy" in the course of the solicitation that resulted in this evaluation. That policy includes explicit criteria for ensuring the quality of evaluation reporting. Further, USAID has released, on its expanded evaluation web-pages, updates of several of its M&E "TIPS" for implementing Directive 203 evaluation procedures.

The three projects to be evaluated were designed and launched before the new USAID Evaluation Policy and TIPS guidelines, and do not always include baseline and periodic update data that would support the new evaluation rigor that the Agency seeks. Still, the team will apply the new USAID evaluation guidance to available project indicator data in combination with data generated by the team as a basis for quantifiable or qualitative measures of project/program impact that meet the new USAID evaluation standards and lay the ground work for future program assessments.

For example, the team proposed conducting small survey interviews - within budget and time constraints - that go beyond just verifying the number of DR-CAFTA IP, RED, and DSTA beneficiaries reported to be "trained" to include more substantive measures of the quality of that training, resulting changes in beneficiary practices, and job and income levels; measures that describe projects/program outcomes and well as outputs.

The team will employ a "mixed-methods" evaluation approach to examining the three USAID/DR Projects and for addressing the range of questions in the solicitation SOW. Application of these tools will vary among the three projects as appropriate for each and in function to where they are - at this mid-term evaluation point -- in achieving their stated results and objectives. Also, the team will apply evaluation methodologies that correspond to two levels of performance and impact to address:

- **Indirect beneficiary agencies and organizations targeted** for enhancing their capacity to delivery services or implement policies to enhance the competitiveness and sustainability of...
- **Direct beneficiary firms and households** targeted for assistance in increasing sales, investments, incomes and employment.

The approach also includes application of cross-cutting concerns that will apply to all three of the separate projects/program evaluations as well as the integrated evaluation report. Specifically,

- **Sex Disaggregated (and other beneficiary) Data and Gender Analysis.** Through-out, the team will disaggregate evaluation findings to examine projects/program performance and impact among target populations of particular concern to USAID development assistance: women and youth, the disabled, those individuals and households below the poverty line, those small enterprises with capital and technology limitations and constraints.
- **GODR Counterpart, Local Stakeholder and Beneficiary Engagement.** The team believes the evaluations should emphasize feedback from each project's direct and indirect beneficiaries about the impacts that these projects/program have had on their abilities to provide services and support and to take advantage of new economic opportunities and to achieve sustainable and respectable livelihoods.
- **Evaluation Best Practices and Reporting Quality.** The new Bureau for Policy, Planning, and Learning's Office of Learning, Evaluation, and Research (PPL/LER) "USAID Evaluation Policy" lists ten important criteria to apply to Agency evaluations in the future. (A copy of the USAID Evaluation Policy may be found at www.usaid.gov/evaluation/). While issued after the RFTOP solicitation was released, the Policy will provide the guidance for Team AMEX evaluation activities and reporting for the USAID/DR Projects/Programs. In its evaluation reports, for example, the

team will fully document through technical annexes all the data collection instruments and procedures followed so as to provide documentation for the soundness of the findings, conclusions and recommendations made.

Below are descriptions of the principal evaluation methods and some illustrative applications for each that the team will use. The team will make its final determination of the most appropriate evaluation tools and their application in consultation with the USAID Mission after contract signing and during development of the Evaluation Work Plan.

1. Qualitative Measures of Organizational Development (Capacity Building)

The DR-CAFTA IP and to a lesser extent the RED project and DSTA program are directed toward building institutional capacity and introducing reforms aimed at improving competitive conditions and increasing economic opportunities particularly for small enterprises and low-income workers. DR-CAFTA in particular sets guidelines for establishing regulatory and monitoring agencies to track compliance with the Agreement's terms and conditions. Introducing reforms and building institutions to implement them is a process involving several steps along a continuum toward full DR-CAFTA compliance or effective support for rural enterprise diversification or sustainable tourism.

The team will introduce as part of its evaluation process a ranking or scoring of where target GODR agencies and private entities (CODOPYME, CONEP and their affiliate industry and commerce trade organizations) are located along this policy reform and organizational development continuum as a means for validating progress made as well as for recommendations regarding needs for further capacity building effort and support. Typically, and by way of illustration, such scores take the following form:

<u>Score</u>	<u>Organizational Development Status</u>
0	= No reform measure/policy exists or has been proposed
1	= Reform measure/policy drafted but not approved
2	= Reform measure/policy approved/legislated but implementing agency/office not selected/established
3	= Implementing agency/office selected/established but not funded or staffed
4	= Implementing agency/office funded but not staffed
5	= Implementing agency/office funded and staffed
6	= Implementing agency/office functioning effectively for at least one year

Of these status scores, a 0 through 5 ranking will be verified by documentation such as approved legislations, budgets and staffing levels. A status score 6 will be verified through beneficiary feedback by applying KAP Analysis described below. Of course, many GODR

agencies existed before CAFTA-DR; still, to achieve DR-CAFTA compliance these agencies often need added mandates, budgets and staff to implement their new mandates.

Similar scores can be generated for private sector organizations. The evaluations will consider such scoring as a vehicle for ranking GODR reforms and implementing agencies as a mechanism for establishing status scores at project outset and at the time of the evaluation. The status scores can then quickly identify progress made by any particular agency in improving the status of its implementation capacity as well as suggest by comparison with other agencies which agencies would warrant added resources and effort to improve their capacity (status) for implementing their mandates as laid out in each of the three USAID projects/programs being evaluated.

2. Qualitative "Knowledge, Attitudes and Practices" (KAP) Analysis

A major evaluation method the team will employ to gather beneficiary level impact is "Knowledge, Attitudes and Practices" (KAP) Analysis. Through direct individual structured interviews with randomly selected sample of direct beneficiaries of the RED project and the DSTA program, KAP Analysis will capture the extent to which they are knowledgeable about new economic opportunities, are motivated to seek out these opportunities and are in fact engaging in such opportunities through new practices that RED and DSTA make possible. The KAP analysis will also include, through focus groups and key-informant gatherings, an assessment of what constraints beneficiaries and potential beneficiaries face in engaging in new RED and DSTA sponsored economic opportunities. What are the comparable characteristics of beneficiary and non-beneficiary participants? What determined participation and non-participation and why?

The evaluation's timeframe and funding realities dictate the sample size, statistical rigor and the extent of interview data that can be collected in the field. Nevertheless, the team is serious in its proposal to include, to the extent possible, the ultimate beneficiary 'clients' of these programs and to learn from them directly about what has worked well and why, what should be dropped, and what should be adjusted or expanded in these three on-going projects/programs and in future initiatives implemented by USAID/DR.

The team proposed to apply KAP analysis to assessing what is essentially an 'intent to treat' approach to examining how cost-effectively RED and DSTA are delivering technical advisory and other services to target beneficiary populations. "Intent to treat" analysis is a rigorous evaluation tool used most frequently in the health field to examine not the effect of, for example, a new vaccine, but rather how comprehensive, targeted and cost-effective was the delivery of vaccination services to the potential beneficiary population.

A comparable application for the DR evaluations will be a measure of the cost-effectiveness with which technical advice, production

credits, market price information or production inputs was provided to target SME producer beneficiaries.

Determining where beneficiaries are along the 'knowledge, attitudes and practices' continuum will address questions about what are the best - cost-effective approaches for delivery, say, of know-how, credit, or market price information to potential new entrepreneurs whether they are emerging small rural enterprise owners seeking to improve their competitiveness in the country's high value agricultural product production (value) chains or larger established firms seeking to expand their investments and hire more Dominicans to produce for international markets - within DR- CAFTA or beyond.

i. Quantitative Quasi-experimental Design Comparisons

There does not appear to exist for any of the three projects available randomized trials baseline data that could be updated by the evaluation in order to compare performance of 'beneficiary' groups - e.g., rural enterprises, small tourism operators, etc. - with any control group of 'non-participants'. Still, a quasi-experimental design approach can be applied to measuring USAID project beneficiaries' current conditions with, say, those of comparable national or international population averages.

For example, is there evidence in RED project areas of less unemployment now than at project start-up? Less unemployment compared to national averages or to other regions of the country? That small and medium enterprises (SMEs) are gaining 'market share' in sectors and for commodities where the greatest growth in markets and trade is anticipated? In selecting which variables to use for analytical comparisons the AMEX Team will look at the SO Results Frameworks and quantifiable performance indicators for baseline data on each firm against which participant and non-participant comparisons can be made.

ii. Cost-effectiveness Analysis

The team will approach the questions in the Solicitation by utilizing available data, particularly for the RED and DSTA projects, to compare the benefits - for example, investments made, production increased and jobs generated - of selected project/program interventions to their respective costs. These ratios can then be compared internally among each project's activities and then between the projects themselves.

For example, what is the relative cost-effective among selected DSTA interventions at generating sustainable jobs? Among RED interventions and specific commodities and rural enterprises? Between the DSTA program and RED project? Of course, there are many "externalities" that may influence the outcomes of these comparisons and many comparisons may lead to 'close calls' not sufficiently different to draw conclusions. Still the evaluation will seek to identify where there may indeed be some clearly

visible distinctions in cost-effectiveness comparisons to give the Mission sufficient confidence in determining interventions to expand, discontinue or maintain at current levels.

3. Illustrative Application of Mixed-Method Evaluation Approaches

Table 1 illustrates which evaluation methods will be applied to gather input for addressing the 10 questions in the Solicitation.

As part of its first deliverable to the Mission, the team will include in its detailed evaluation design and work plan when each of these methods would be employed and for which project/program examined and evaluation question addressed.

During work plan preparation and document review the team will consult with the Mission on the most appropriate methods to use for these 10 questions and for any others identified to be covered in the evaluation.

Table 1: Illustrative Application of Methods to Respond to Evaluation Questions				
Evaluation Questions to be Addressed*	Qualitative Measures of Organization Development	KAP Analysis	Quasi-experimental Comparison	Cost-Benefit Analysis
1. What did each project achieve?	x	x	x	x
2. What factors constrained implementation?	x	x		
3. What are views of implementers, beneficiaries with respect to weaknesses etc.		x		
4. What course corrections need to be made to accelerate progress	x			x
5. What implementation course corrections were made?	x			
6. What new best practices were identified?		x	x	x
7. What major lessons learned emerged?		x	x	x
8. What have been the strengths/weaknesses of the projects/programs?	x			
9. In what areas is USAID assistance most urgently needed?	x	x		

10. What opportunities are there for increased coordination of activities, etc?	x			
* As listed in the Solicitation				

DR-CAFTA IP. To test the development hypothesis that *increased DR capacity to comply with the 'rules of trade' will improve the country's enabling environment and economic incentives for the private sector to take and manage the risks of expanding investment, production and trade,* the team will review the literature to determine what industry sector data exist that would allow a quasi-experimental design comparison of the extent to which changes in DR domestic production and trade trends and composition can ultimately be attributed to DR-CAFTA agreement compliance fostered and supported by the project.

The team recognizes that it takes time to implement DR-CAFTA provisions and even more time for markets to respond, investments to be made, and production to adjust to new trading realities. In the event that reliable comparable data are available, the evaluation will seek to determine which commodity groups – starting with the list proposed in the RFTOP SOW – hold promise as useful 'barometers' for tracking changes in economic conditions and opportunities that are traceable to DR-CAFTA in the short, medium and longer terms.

Where the introduction and implementation of CAFTA-DR rules of trade are still 'in process' the evaluation will apply a KAP analysis to assess where responsible GODR agencies are along the continuum of organizational development to meet CAFTA-DR compliance requirements, particularly as regards DICOEX monitoring, analysis, communications and public relations capabilities of DICOEX and other GODR agencies engaged in DR-CAFTA compliance and implementation-e.g., ANAPI, SEA, SET.

The team will make use of existing baseline studies of these institutions against which progress has been made to date and relate that progress to the various interventions-workshops, seminars, training, advisory assistance-implemented to date.

RED. To test the RED development hypothesis that *risk for rural-based agricultural producers and other commodity value chain participants can be reduced through diversification into higher-value enterprises and that domestic markets and export trade can be the engines for creating jobs, generating incomes, and reducing poverty,* the team's evaluation method of choice will largely be KAP analysis to determine what changes in beneficiary knowledge, attitudes and practices can be attributed to project interventions – e.g., improved practices in natural resource management, organic farming and sustainable forest product harvesting, post harvest waste reduction and value added processing, marketing through trade fair participation, commercial linkages and conflict resolution. The evaluation would also apply

cost-benefit analysis of compare the relative benefits of these interventions with their respective costs for the principle agricultural or processed commodities for which production, employment and sales data exist to help the Mission identify the most promising economic activities to which to provide future project support and eliminate those enterprises with the lowest rates of return for rural enterprises and households.

DSTA. To test the DSTA development hypothesis that *well-designed and appropriately targeted interventions can build capacity of local firms and community organizations to be self-sustaining participants in the highly competitive Dominican tourism industry*, the team will apply qualitative organizational development measures to DSTA development of relevant tourism entities including, community-based tourism organizations and partnerships in tourism service delivery value chains, such as handicraft and tour-guide services with national parks or with international hotel/resort franchises. Since training will be an on-going requirement for reaching new beneficiaries, the evaluation will also apply a qualitative organizational development analysis to assess the degree to which GODR agencies or local NGOs have been equipped and are ready to continue training activities after project termination.

Both the RED and DSTA projects involve a range of training programs as one of the interventions aimed at bringing about changes in knowledge, attitudes and practices among beneficiaries. Through both individual beneficiary interviews and focus group sessions, Team AMEX will examine how this training is manifested among a sample of training participants and the degree to which training has been effective in moving these beneficiaries along the KAP continuum.

The above approaches are illustrative at this point and will be finalized as part of the first deliverable - a Detailed Evaluation Design and Proposed Work Plan - in consultation with the Mission during the first week the team will be in country.

The objective of the team's evaluation methodology is to provide the Mission the most rigorous evaluation findings, conclusions and recommendations possible by applying those statistical tools appropriate for available data and for using the most appropriate evaluation tools from USAID's "Evaluation Toolkit" so that the Mission can:

- Assess accurately where it is in achieving its overall Strategic Objectives;
- Determine what have been the most cost-effective approaches to achieving progress;
- Identify what should be expanded and what should be cut back or eliminated for more effective program execution;
- Design new approaches to implementing new Presidential Initiatives - Food Security (FTE) and Global Climate Change - for the Dominican context.

Table 2 below summarizes the methods that will be used to respond to the project specific evaluation questions and test their development hypothesis.

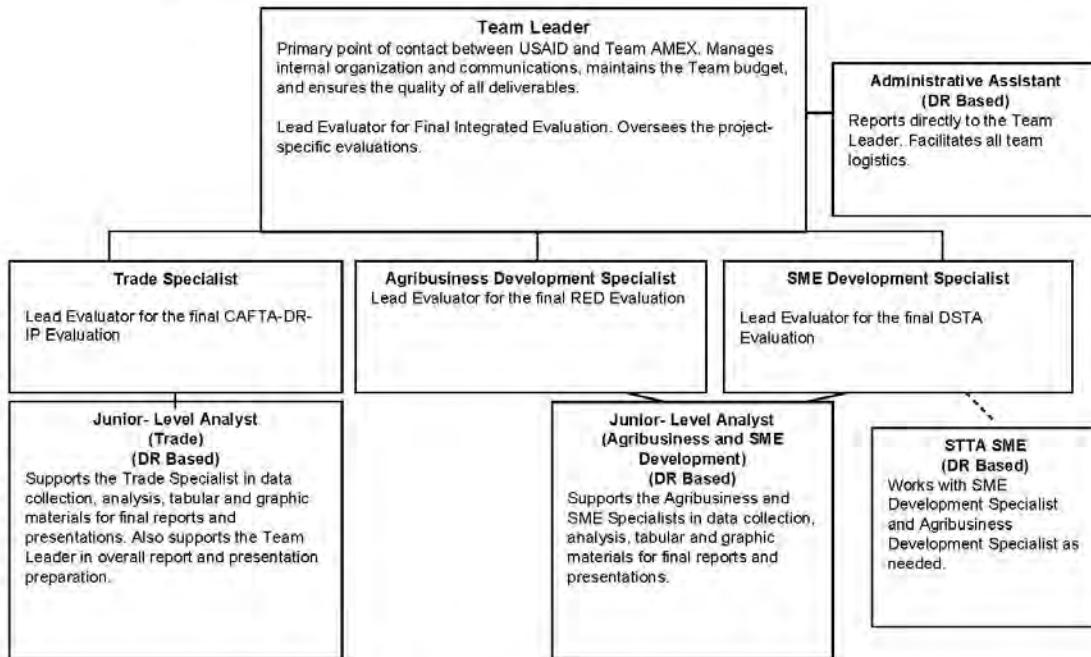
Table 2: Relationship between Methodology, Development Hypothesis, and Key Questions			
	DR-CAFTA IP	RED	DSTA
Methodology for Evaluation (Illustrative Example)	<ul style="list-style-type: none"> • Quasi-experimental design comparison • KAP Analysis • Qualitative Measures of Organizational development 	<ul style="list-style-type: none"> • KAP Analysis • Cost-Benefit Analysis 	<ul style="list-style-type: none"> • Qualitative Measures of Organizational development • KAP Analysis
Program Development Hypothesis	<i>Increased DR capacity to comply with the 'rules of trade' will improve the country's enabling environment and economic incentives for the private sector to take and manage the risks of expanding investment, production and trade.</i>	<i>Risk for rural-based agricultural producers and other commodity value chain participants can be reduced through diversification into higher-value enterprises and that domestic markets and export trade can be the engines for creating jobs, generating incomes, and reducing poverty.</i>	<i>Well-designed and appropriately targeted interventions can build capacity of local firms and community organizations to be self-sustaining participants in the highly competitive Dominican tourism industry.</i>
Key Questions for Evaluation	Relative to the goal of effectively implementing all 23 chapters of the CAFTA-DR Free-trade agreement, what results were achieved in strengthening the DICOEX, in advancing treat-specific reforms, and informing the Dominican private sector of the related trade opportunities?	Relative to the goal of assisting small farm producers and processors to diversify their production and become more competitive in the global market for oriental vegetables, specialty coffee, mangoes, organic banana, pineapple, avocado, root crops, cacao, and manufactured wood products, what results were achieved or progress made toward the results in a variety of specific areas as listed in the RFTOP?	Relative to the goal of better equipping and strengthening local small firms, community-based tourism organizations, and relevant tourism entities to become sustainable within the next five years, what results were achieved or progress made toward developing public-private collaboration and outreach to new development partners at the national, regional, and global levels that are subsequently led by stronger, more capable Dominican tourism institutions?

NOTE: The methodology application noted above will serve as a starting point for consultation with USAID. Depending on information available, cost and time constraints, some methods may be used more, less, or differently in evaluating programs.

4. Implementation Plan

The team will work together to complete the three evaluations and the integrated evaluation in the most efficient manner possible. The organization chart below outlines the key positions that make up the team and their respective responsibilities.

Figure 1: Organizational Structure



The team proposes a comprehensive and reasonable work plan that incorporates USAID, DR-CAFTA IP, USAID/RED, and DSTA implementing partners and stakeholders, and includes time for document review, data collection, key site visits, briefings and ample time for sharing findings and recommendations with USAID and implementing partners.

Table 3 below provides a detailed timeline for the evaluation implementation. Following the table a description of the Scope of Work for each period outlined is provided in detail.

Table 3: Draft Work Plan		
Timeline (LOE Days)	Scope of Work	Deliverables
Orientation (3 days- US)	<ul style="list-style-type: none"> 3 days in U.S. to review background materials. Collect from the Mission and other sources comparative data and review all available data. 	
Data Collection: Secondary Sources Week 1 (6 days- DR)	<ul style="list-style-type: none"> 1 day for AMEX Team to travel to DR. 1 day for initial orientation meeting with USAID to consult with USAID and Implementing Partners. 4 days to complete document review and develop detailed Evaluation Design (including instruments and interview list) and proposed Work Plan. 	1. Detailed Evaluation Design and proposed Work Plan
Data Collection: Primary Sources Week 2 & 3 (12 days- DR)	<ul style="list-style-type: none"> ½ day to consult with USAID and collaborate in design of Evaluation Design and proposed Work Plan. 10 days for primary data collection including in-depth interviews with beneficiaries, implementers, partners and USAID staff. ½ day to finalize Summary of document review and Outline of Draft Evaluation Report. 1 day to prepare for Mid-Term Briefing with USAID. 	2. Summary of document review and proposed Outline of Draft Evaluation Report
Draft Reports Week 4 (6 days- DR)	<ul style="list-style-type: none"> 1 day to present Mid-Term Briefing to USAID and consult regarding key issues for evaluations. 5 days to conduct data analysis and begin drafting evaluations. 	3. Mid-term Briefing with USAID
Final Briefings Week 5 (6 days- DR)	<ul style="list-style-type: none"> 2 days to continue conducting data analysis and draft evaluations. 1 day to prepare for Final Briefing. 1 day to present Final Briefing to USAID and consult with USAID and project implementers on final drafts of evaluations. 2 days for wrap-up (integration of USAID and Implementers' feedback) and submission of Draft Evaluation Reports and Final Briefing. 	4. Draft of Project Specific Evaluation Reports (submitted to Implementers) 5. Final Briefing
Mission Review Week 6 & 7 (10 days- US)	<ul style="list-style-type: none"> 1 day for AMEX Team to travel to US. <p><i>During Weeks 6 and 7 USAID reviews the Evaluation Reports and provides written comments.</i></p>	
USAID Comments Week 8 & 9 (6 days-US)	<ul style="list-style-type: none"> 6 days to revise draft Evaluation Reports and Power Points to address USAID's comments. <p><i>Final Integrated Evaluation and Project Specific Reports will be submitted within two weeks of receiving USAID written comments on drafts.</i></p>	6. Final Integrated Evaluation and Project Specific Reports

Data Collection: Secondary Data Sources
(Prep Week and Week 1-- U.S. and DR)

Orientation and Data Collection through Secondary Sources will take place during a three-day preparation period in the U.S. and Week One in the Dominican Republic. Upon contract signature, the Team Leader will work with the Mission to ensure that before traveling to the DR team members will review documents on the background of the three

programs as well as overall USAID economic development strategy. To begin document review, the team will review a report provided to USAID/DR on potential indicators to track the impact of Portman-Bingaman funding for rural development (from FY07-FY11) as well as any reporting and/or databases developed to track and report on those rural development indicators. Based on this initial review of indicators, the team will be able to critically review the use of these indicators in the monitoring and evaluation processes and reporting of the CAFTA-DR-IP, RED, and DRSTA programs.

The documents on the background of the three programs, as well as overall USAID economic development strategy will provide historical and contextual background. Review of implementer's documents should include any other relevant performance information sources, such as performance monitoring systems and/or previous evaluation or auditing reports. Document review should occur before meetings with implementer teams at their offices. After understanding each project, the team will be better able to have in-depth discussions with the implementing teams.

During Week One, the team will also meet with USAID for an Orientation Meeting to consult on the overall Work Plan and Evaluation Design. Additionally, the team will also work with the implementing teams to scope out timing for meetings and field work in order to finalize the Work Plan. At conclusion of Week One, the team will provide the following deliverable(s):

1. Detailed Evaluation Design and proposed Work Plan

Data Collection: Primary Data Sources

(Weeks Two and Three-- DR)

During Weeks Two and Three, the team will collect data from USAID staff, project implementers, partners, and beneficiaries based on the Evaluation Design noted above. At the conclusion of Week Three (perhaps the start of Week Four depending on availability), the team will have reviewed and collected a significant amount of primary and secondary data and will be prepared to present a Mid-term Briefing at the Mission to share initial progress and preliminary findings related to each project and overall preliminary findings regarding the project's contributions to SOI. Throughout this process, the Team Leader will collaborate with the Specialists to ensure insights are shared across projects, and begin to develop an outline for the Final Integrated Evaluation. The team will seek to include implementer representatives in this meeting as appropriate in order to facilitate coordination. Receiving implementer feedback early and often is essential to effective and accurate evaluations. At the conclusion of Week Three, the team will provide the following deliverable(s):

2. Summary of Document Review and proposed outline of draft Evaluation Report (Conclusion of Week Two)

3. Mid-Term Briefing (Conclusion of Week Three)

Draft Reports, Final Briefings and Final Drafts

(Weeks Four through Evaluation Close-DR and US)

During Week Four, the team will draft the Project-Specific Evaluation Reports including tables, graphs, annexes, and executive summaries. At the conclusion of Week Four and the beginning of Week Five, the team will begin to share Project Specific Evaluation Report drafts with implementing partners and USAID, ensuring an accurate and useful evaluation.

Toward the end of Week Five, a Final Briefing will take place at USAID/DR. Team AMEX recommends a round table format for this Briefing and including implementer personnel as appropriate. The Briefing will be used to share program specific findings and explore synergisms and the overall implications for the Mission's SO-1. Following this meeting the AMEX Team will spend an additional two days in country incorporating USAID and implementer feedback into the draft reports. During Week Five, the team will provide the following deliverable(s):

4. Draft Project Specific Evaluation Reports

5. Final Briefing

During Weeks Six and Seven, USAID/DR will review the Project Specific Evaluation Reports and provide written comment. The team will receive USAID written comments on the Reports roughly ten days after the Final Briefing noted above. The team will spend approximately six days to incorporate this feedback into the final reports. Within two weeks of receiving Mission comments on the draft reports, the team will submit the Final Integrated Evaluation and Project Specific Reports. At the end of Week Nine, the team will provide the following deliverable:

6. Final Integrated Evaluation and Project-Specific Reports

C.4 KEY PERSONNEL

In order to complete the proposed SOW, Team AMEX has assembled an evaluation team for the DR Tri-Project Evaluation to reflect both the technical expertise considerations outlined in the RFTOP and the country-specific expertise necessary to carry out this evaluation effectively. The Team will adhere to the following practices:

- Shared understanding of clients interests including background and context, stakeholders, purpose and proposed use of the evaluation results;
- Clarity among team members of the key questions, data sources, and potential methods for data gathering and analysis;
- Clearly defined roles and responsibilities of team members;
- Realistic schedule;

- Regular meetings and communication to ensure agreed upon deliverables; and
- Time management to ensure adequate field work and contingency plans in the event that weather /travel conditions or communications reduce the visits and data collection that can be made during the allotted time.

Team is comprised of the following four senior team members:

- Team Leader/Agribusiness and SME Specialist
- Trade Specialist
- Agribusiness Development Specialist
- SME Development Specialist

F.6 REPORTS AND DELIVERABLES OR OUTPUTS

The Contractor shall submit reports, deliverables or outputs as further described below to the TOCOTR (referenced in Sections F.2 and G.2). All reports and other deliverables shall be in English language, unless otherwise specified by the COTR.

Work plan: Upon completion of background research, the team will provide a work plan that will include lists of primary research questions, planned interviewees, and a logistics plan.

In-briefing and Out-briefing: The team will give an introductory briefing at the start of field work that will include a discussion of the work plan to solicit USAID feedback. The team will give an exit briefing that will highlight an initial presentation of analytical findings and preliminary recommendations.

Draft Final Report: The team will prepare a detailed final report, describing its findings and recommendations. A draft of the report will be submitted approximately 15 days after completion of the field work.

Final Report: The final report will be submitted within five business days of receipt of comments from USAID.

[END OF SECTION F]

ANNEX 2: DOCUMENTS CONSULTED AND REFERENCES USED

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ANNEX 3: LIST OF INTERVIEWS/MEETINGS/CONSULTATIONS

Entities	Interviews/meetings, people	Selected Comments/Suggestions
A. Implementers, USAID, tourism sector value chain stakeholders.		
AED	Margareth Hendrickson, Katia Rios, Patricia Reinoso, Rosa Gil, Kacie Sis (Peace Corps)	→ Recognized the need for a re-direction of the Program and specific focused activities. Grants and financing tourism product development (destinos, innovation) are advanced and should be completed. The networking activities already implemented, in the long-run, will boost the competitive position of the SMEs and CBOs destinations.
George Washington University	Gloria Valdez Lazzo	→ The human resource development agenda to build capacities was there, but the agenda keeps changing with no justification.
Solimar Internacional	Pilar Constanzo	→ In conjunction with CDCT started the idea of ATAS.
The Nature Conservancy	Eddy Silva	→ We implemented our tasks as planned and are ready to continue our collaboration.
CDCT	Rafael Collado, Lissette Gil, Clara Barriola, Pilar Constanzo.	→ The DSTA Program needs re-direction. Too ambitious and too many activities diluted both the technical and financial resources. Work is progressing toward strengthening clusters organization and their tourism development capacities. Linkages with MITUR are important, but often missing. ATAS will promote, offer and sell Dominican Treasures.
USAID	Duty Green, Odalis Pérez, Josué Ceballo, Luis Gonzalez	→ Some of the training activities lack relevance and a correction was made. Tourism products creation and development will be completed as planned. Partnerships and linkages with MITUR and other public institutions beginning to take place.
MITUR	Luis Simó, Maribel Villalona, Amalia Bobes Torres, Yamilet Matos,	→ Working linkages are so important between MITUR and DSTA but are missing. We have been invited and/or

<p>Tour Operators/Travel Agents</p>	<p>Ariosto Montisano, Ernesto Rymer, Juan Alfredo Guiliano, Jose Santana</p>	<p>informed for certain DSTA activities. We are working on identifying Dominican Treasures and Tourism Information Centers. The DSTA is a good technical assistance framework and should continue. → An effective marketing plan necessitates both a tourism product and public/private partnerships. ATAS is not a good idea. We have not seen a DSTA tourism product.</p>
<p>Hotels/Restaurants/Cruise</p>	<p>Elizabeth Tovar, Patria Rodríguez, Musa Mitchell, Juan Deneder, Mitchel Oulette, Manuel Finket</p>	<p>→ Support and assistance should be specific in the area of marketing and product development: product identification, tour package chain development, Fam Trips, and tourism trade shows.</p>
<p>Academia, Consultant, Practitioner.</p>	<p>Francia Liverata, Maria Santos, Andres Fernandez, Caraos Castillo, Roberto Nolasco, Hotel Oasi.</p>	<p>→ Product identification and development, training for product providers, marketing, and sustainability are relevant factors and some of them are missing in DR. Without partnerships and alliances with the tourism value chain stakeholders, tourism profitability and sustainability are in doubt.</p>
<p>B. Clusters.</p>		
<p>1. Barahona</p>	<p>Dr. Auliana Poon. Attended her conference in Barahona.</p>	<p>→ DSTA is a good project and should continue. It needs re-direction and focus to meet cluster objectives. More direct assistance in marketing and media exposure. Planning to enhance Barahona TIC. ATAS still in its infancy stage. →</p>
<p>2. Constanza</p>	<p>One meeting and one field trip: Elena Nunziatini, Rafael Matus Feliz,</p>	
<p>3. Jarabacoa</p>	<p>Not visited.</p>	<p>→ We need to improve our cluster organization and work program. With or without financial help from DSTA we will complete our tourism products. There is a legal problem related to the identified site for the TIC. The office of the Mayor and MITUR are searching for a new site. Too much training on procedures. During the process of route identification, direct needed training</p>
<p>Visited: Martha Fernandez, Felipe Beltrán, Eunice García, Belkys Vargas, Valentin Acosta, Carmen Batista, Verónica Espinal, Ramón Elías, Esperanza Marte, Anthony Pichardo,</p>		

4. La Altagracia	Marina C Pérez, Yaniris Quezada, Inocencia Hernandez,	activities should include: website development, identification of travel agents and tour operators with the greatest potential to sell our tourism products, and trade sales support. Very little is known about ATAS. → ATAS is not a good idea and has been rejected by the tourism value chain stakeholders. Too many irrelevant courses and seminars. Needs a re-direction.
5. Pedernales	Not visited. Interview/ Meeting with Elena Cruz in Santo Domingo	→ Little knowledge about ATAS.
6. Puerto Plata	Interview/Meeting with Antonio Trinidad in Barahona	Identification and development of products is a must. Too many courses and seminars. → ATAS has been rejected. Direct advice is much better than seminars, workshops and conferences in that business can be directly assessed.
7. Romana/Bayahibe	Visited: Rebecca Ureña	DSTA has been good for POP and should continue. → ATA is not a good idea and will not get our support. Tourism product identification and marketing is key. Too many seminars with little significance in tourism.
8. Samaná	Visited twice. Daniel Flaquer. Andres Fernandez, Kelly Robinson, Rosella Morelos Esmeralda Mercado, Claudia Sandoval.	→ ATAS will not be supported. Too many activities and beaurocratic procedures cumbersome. DSTA is a good idea but needs a re-direction.
9. Santo Domingo	Not visited. Interview/Meeting with Judy Rojas, outgoing Exec. Dir. 7/2011. Visited twice. Luis Emilio Molina, Briseida Olivero, Oscar Ungría, Jorge Caridad, Esteban Guillén.	→ ATAS will not be supported. DSTA is an excellent idea but needs re-direction toward tourism business development orientation. Too many irrelevant courses and seminars. Better coordination is needed. Building alliances and partnerships are missing links in this project.

Note: Throughout the evaluation period, with the guidance from DSTA Program implementers: AED, CDCT, and USAID DR, seven (7) field trips were implemented to the clusters of: Barahona, Jarabacoa, Puerto Plata, Romana/Bayahibe (2), and Santo Domingo (2), and meetings were held with the clusters of: La Altagracia, Pedernales, and Samaná. In addition, the evaluator launched a process of continuous consultations and interactions with the original implementers of the DSTA Program - AED, GWU, SOL, and TNC – USAID DR and CDCT. Before departure, two long-working sessions between the evaluator, the CDCT Chief Executive Officer, and the AED staff, held in CDCT office on the afternoon of Friday 8,

July 2011, and in AED office on the morning of Wednesday 13, July 2011. These meetings and working sessions reinforced the evaluator's earlier diagnosis and helped highlight the outstanding issues and determine priorities: (i) the need for DSTA re-direction or change its course of action, (ii) the need, in the very short-run, for leadership to guide the final phase of the program, (iii) the need for teamwork and close coordination, (iv) endorsement was expressed for the DSTA to continue its fifth year because the Program is beginning to advance the ideas of working together and building tourism product development and marketing public-private sector partnerships. Strong support, however, was expressed for a narrow focused, appropriately designed, and targeted tourism interventions, and (v) tourism/eco-tourism development and diversification or sustainable tourism for SMEs and CBOs needs a long-term initiative. A preliminary draft was presented for consultations, discussions, comments, and suggestions to USAID DR, on the afternoon of Tuesday, 12 July, 2011.

ANNEX 4: GENERAL BENEFICIARY SURVEY INTERVIEW FORM

Respondents Familiar with the DSTA Program. Junio-julio, 2011.

Entrevista Mixta: Informativa y Categórica: Clusters, miembros, ejecutores/implementadores, SMEs, and CBOs. Junio-julio, 2011

Relación con el proyecto DSTA Program: _____

1. Puede nombrar un par de formas en como usted cree que el proyecto USDA-DSTA esta ayudando o ha ayudado al desarrollo del turismo, los negocios locales, o a la comunidad?

2. Como usted clasifica la ejecución de este proyecto:

Malo Regular Neutral Bueno Excelente

3. Como usted califica la ejecución de resultados de este proyecto:

Malo Regular Neutral Bueno Excelente

4. Cree usted que el proyecto le esta ayudando en ser mas competitivo?

Si No Indiferente

5. Cree usted que el proyecto le esta ayudando a tener acceso al mercado de turismo domestico y/o internacional?

Si No Indiferente

6. Cree usted que su empresa o institución, comunidad u organización se ha fortalecido siendo parte del proyecto?

Si No Indiferente

7. Tiene usted conocimiento de que se han estado o se están impartiendo cursos, seminarios, talleres, conferencias, para promover y fortalecer el funcionamiento de las empresas, protección de recursos naturales, etc.

Si No Indiferente

8. Conoce usted si el Programa DSTA ha producido o creado suficientes materiales de mercadeo, comercialización, promoción, comunicación y estos materiales se están distribuyendo y usando?

Si No Indiferente

9. Que tipo o clase de actividades están siendo implementadas por el cluster y/o los miembros de las organizaciones y empresas participando en el programa?

Ambientales Fortalecimiento de organizaciones Económicas

Educativas Otras

10. Cree usted que el Programa de DSTA debe continuar: Si † No †

Haga comentarios o recomendaciones que usted considere importantes.

ANNEX 5: ANONYMOUS INTERVIEW FORM FOR SELECTED KEY INFORMANTS

Entrevista Anónima Aleatoria Categórica con selected/algunos miembros de los clusters, ejecutores, y miembros de la cadena del desarrollo del turismo familiarizados con el Proyecto DSTA. Junio-julio, 2011.

1. Los comentarios sobre problemas y retrasos de orden administrativos, financieros, técnicos y de procedimientos afectaron significativamente el cumplimiento, los resultados, la ejecución, y fechas de entrega de resultados:

1. Totalmente en desacuerdo 2. En desacuerdo 3. Neutral 4. De acuerdo 5. Totalmente de acuerdo

2. El diseño del proyecto DSTA tiene fallas en su diseño y es ambicioso en cuanto a las actividades y resultados que se quieren lograr.

1. Totalmente en desacuerdo 2. En desacuerdo 3. Neutral 4. De acuerdo 5. Totalmente de acuerdo

3. Debido a lo ambicioso el proyecto DSTA los esfuerzos técnico y financieros se han diluido y los resultados obtenidos hasta la fecha han sido mucho menor que los resultados esperados.

1. Totalmente en desacuerdo 2. En desacuerdo 3. Neutral 4. De acuerdo 5. Totalmente de acuerdo

4. En su opinión, el proyecto DSTA debería de seguir pero con correcciones hasta llegar a su termino.

1. Totalmente en desacuerdo 2. En desacuerdo 3. Neutral 4. De acuerdo 5. Totalmente de acuerdo

5. Si el proyecto DSTA es continuado con correcciones, indique que tipo de re-diseño y re-orientación se debe realizar.

1. Re-definición de sus componentes: Si No

2. Re-definición de sus áreas temáticas: Si No

3. Reducción de sus actividades: Si No

4. Re-definición y ajustes en el área de entrenamiento y construcción de capacidades: Si No

5. Re-definición y ajustes en los objetivos que se quieren alcanzar: Si No

Algún comentario que desea agregar

ANNEX 6: CLUSTER DEVELOPMENT ISSUES

The clusters experienced the following two main cluster development issues.

- (i) DSTA Program tourism product development investments, in compliance with transparency selection of a winning proposal;
- (ii) Administrative procedures, financial and management delays, disrupted compliance on tourism product development, execution and delivery dates.

Barahona. Identified during the execution of the CPP public private strategic partnerships, in 2004. It was legally incorporated under the DSTA Program on 6/2/2009. With no DSTA funding the cluster will continue to function. However, it will not have the financial capability to sustain the salaries of personnel paid by the DSTA Program. Tourist information center launched and developed by FOMIN/BID. A plan should be put in place for the TIC to be enhanced under the DSTA Program. The cluster is implementing marketing and promotional activities to enhance tourism arrivals. It has good publicity material and is building support and collaborative activities in partnership with its tourism value chain stakeholders. Replicating what the hotels have done on marketing strategy¹², DSTA should provide to the potential tourism products and services development direct-onsite training and technical assistance to devise strategies that support aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Constanza. Identified during the execution of the CPP in 2003. Under the DSTA Program, it was legally incorporated on 1/19/2009. With no DSTA funding its economic, organization, and competitiveness sustainability is in doubt. The cluster has made medium progress in DSTA Program implementation. The cluster feedback on what would work best and how the stakeholders could best be involved is related to the implementation of a TIC and targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development, aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Jarabacoa. Identified during the execution of the CPP in 2005. Under the DSTA Program, it was legally incorporated on 1/19/2009. With no DSTA funding its economic, organization, and competitiveness sustainability is in doubt. The cluster has made little progress on DSTA Program implementation due to its organizational and management problems. However, due to its location, the opening of the new pave road (Constanza-

¹² Training personal, operational websites, direct sales and Ecommerce implemented.

Jarabacoa), and the DSTA Program investments made on tourism product development¹³, the cluster has the potential to be developed as a complete-tourism-tour package. In this context, targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development, aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events. Moreover, the TIC is a must, and the office of the Major, MITUR, and the tourism value chain stakeholders have given a lot of support to its implementation, and if the legal problem related to the potential office-infrastructure chosen is not solved, then immediately, a new site has to be considered.

La Altagracia. Identified during the execution of the CPP in 2006. Under the DSTA Program, it was legally incorporated on 6/19/2008. With no DSTA funding its economic, organizational and competitiveness sustainability is in doubt. The cluster has made medium progress in DSTA Program implementation. Because the strong support from the Hotel Association and other tourism value chain stakeholders, the cluster is ready to be developed in a similar fashion such as the Santo Domingo and Romana/Bayahibe clusters, concentrate efforts on specific targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development, aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Pedernales. Independently formed and legally associated/incorporated with ADSETUPPE in 2005. Under the DSTA Program, it has received technical and financial assistance since FY09-10. With no DSTA funding, however, cluster economic, organization, and competitiveness sustainability is in doubt. Implementation of the TIC in Bahia de las Aguilas still in the idea stage. Little progress has been made on DSTA Program implementation. Under the USID-DSTA Program, the cluster has implemented several promotional activates – the promotional campaign Barahona/Pedernales: Orgullo de mi Tierra in a coop with CCN and other Fam Trips with journalists. For this cluster, tourism product development is a must. Moreover, Pedernales’s human resources paid by the Program (Mr. Antonio Trinidad and Tania Gonzalez) must receive on site direct targeted training, including website testing and management as soon as possible.

Puerto Plata. Associated was Fundación Atlántica, it was legally incorporated and established on 11/26/2003. With no DSTA funding, the cluster will continue to function. However, it will not have the financial capability to sustain salaries of personnel paid by DSTA Program. The tourism value chain stakeholders’ consensus on the cluster concept reads like this: The DSTA Program is a great idea and one of the best things

¹³ Sonido del Yaque, Salto de Jimenoa I, Angostura, and Art Gallery and Local Artisan Commercial Center. Beneficiaries the community group **Vida Para Todos**, with the active participation of the Universal Movement Unity Values and Art. Well linked into the community economy and is community owned, directed, and controlled.

that happened in support of the tourism sector in Puerto Plata. However, ATAS demonstrated not to be a good idea. Still with no interest in establishing a TIC. The cluster has made medium progress on DSTA Program implementation. The cluster members are ready to coop in the implementation of a well design specific targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development (Loma Isabel de Torres, and so on), aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Romana/Bayahibe. Identified and formed in 2001. It was legally incorporated under the DSTA Program, on 4/29/2009. With no DSTA funding the cluster will continue to function. However, it will not have the financial capability to sustain the salaries of personal paid by the DSTA Program. The tourism value chain stakeholders' consensus on the cluster concept reads similar to what was expressed by Puerto Plata cluster. ATAS demonstrated not to be a good idea and the tourism value chain stakeholders will not support it. ATAS is a distraction and could alienate the DR channels of distribution and commercialization. The cluster has rejected the activities related to membership tool kit, marketing tool kit, and manual for policies and procedures. The cluster has made advanced progress on DSTA Program implementation. As the Barahona, La Altagracia, and Santo Domingo clusters, Roman/Bayahibe is ready to coop in the implementation of a well design specific targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development (Loma Isabel de Torres, and so on), aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Samaná. Identified during the execution of the CPP in 2005. Under the DSTA Program, it was legally incorporated on 12/02/2009. With no DSTA funding its economic, organization, and competitiveness sustainability is in doubt. The cluster has made medium progress in DSTA Program implementation. Outgoing Executive Director expressed that the tourism value chain stakeholders' consensus is that the DSTA Program implementation is not focused and disagreed with ATAS. The cluster has a TIC developed and managed by MITUR. Mr. Luis Simó (MITUR Vice-minister international affairs, and the group headed by Ms. Maribel Villalona (MITUR Vice-minister Planning) expressed the willingness to work side by side with the DSTA Program on tourism product identification and development. In addition, a concentration of efforts should be directed in Samana on the implementation of a well design specific targeted activities related to direct-onsite training and technical assistance to devise strategies that support tourism product development, aggressive marketing campaign, including brochure design, posters, websites (and its operation) and public relations campaigns. Support also will target effective decision making and successful execution of program including trade shows, sales trips, and other events.

Santo Domingo. Identified and formed in 2005. Under the DSTA Program, it was legally incorporated on 02/28/2008. With no DSTA funding its economic, organization, and competitiveness sustainability is sound. The cluster working and management approach on tourism product development and marketing should be replicated or serve as model for the development management of the other clusters: Santo Domingo cluster is developing its tourism products and service and marketing them in a joint cooperative most cost effective efforts (Coop model), launched through its tourism value chain stakeholders, business associations, government entities, and international partners. One of the examples of pooling of cluster, private and other matching funds was its recently participation in the biggest tourism fair, worldwide, Feria Internacional de Turismo Spain (FITUR). It was expressed that the tourism value chain stakeholders' consensus is that the DSTA Program implementation is not focused and disagreed with ATAS.

ANNEX 7: CONSULTATION WITH MS. ELIXABETH TOVAR, PRESIDENT OF OPETUR

In this Annex 7, the evaluator presents the results of his consultation with Ms. Elizabeth Tovar, President of OPETUR, on selected ATAS/DR conceptual and policy issues as reported in some of the DSTA Program reports. Ms. Tovar's response was confirmed in a telephone conversation with the evaluator held on July 15, 2011, Miami, Florida.

Part of the motive for the meeting was to socialize the idea and differences between the ATAS and DT (DSTA, 2010, p. 3).

CDCT conducted a meeting with the tour operator association to advance the process of reaching agreement with tour operators (DSTA, 2011d, p. 14).

With the buy-in and constant communication with OPETUR and other local tour operators,...., (DSTA, 2010, p. 10).

...., CDCT,...., is preparing the ATAS/Dominican Treasures website (DSTA, 2010, p. 9).

DT and ATAS make up the marketing and sales platform of the CDCT that is designed to help link the many unique natural and cultural tourism products and cluster destinations emerging from the DSTA Program with national and international markets (DSTA, 2010, p. 18).

Below find the reply on these issues from Ms. Tovar.

--- On **Mon, 7/11/11, TURENLACES - PRESIDENCIA** <presidencia@turenlaces.com> wrote:

From: TURENLACES - PRESIDENCIA <presidencia@turenlaces.com>

Subject: Re: USAID-Dominican Sustainable Tourism Alliance and ATAS

To: "Manuel Vanegas Sr." <mavanegas@yahoo.com>

Cc: "OPETUR" <opetur@claro.net.do>, "MUSA MITCHELL"

<mmusa@nexustours.com>, "RODRIGUEZ Patria" <patria@turinter.com>, "REYES

Denisse" <d.s@claro.net.do>, "CASSA DE AMELANG BEATRIZ"

<zeppelin@codetel.net.do>

Date: Monday, July 11, 2011, 12:07 PM

Dear Dr. Vanegas:

Please allow me to excuse myself from not answering back immediately.

I am on vacation and with limited access to my emails.

In regards to your comments, I will be happy to elaborate a little more on our point of view.

1. One of our weaknesses is the fact that our tours and tourism products are not in the hands of locals, therefore we have very limited benefits from any of the tourism

operations or products available now. In other words:

a) Dominican tour operators have to pay 26% on hotel reservations or tours, any foreign operator has better rates just because they are simply based abroad. This allows foreign companies to take over any market we try to develop since we are always in a weaker rate position.

b) Most of the hotels and/or suppliers are in the hands of foreigners. Tax contribution is alarmingly low because no income is reported locally. Instead, we are in the opposite position since we have to declare everything.

c) Transportation is being weakened by Unions trying to create monopolies..... the Government is doing absolutely NOTHING.

2. When we met with Pilar Costanzo and the rest of the CDCT team, we told them that we would see as a positive step the creation of Dominican Treasures. We did not agree with the ATAS project which we have always disagreed with since we understood that the sales of Dominican Treasures should be made through the regular sales channels (OPETUR, ASOTURE, ADOTUR, ADOCA and ADAVIT). Mrs. Costanzo explain to us that the CDCT wanted to create ATAS in order to assure Dominican Treasures that at least one "tour operator" will dedicate their time exclusively to marketing this product.

Reluctantly we agreed to accept ATAS under special conditions (because CDCT "had to be sure that this was going to be a sustainable project"):

a) That ATAS should be part of one or various of our associations

b) That ATAS would not have any privilege over the other members

c) That ATAS had been created only to sell Dominican Treasures products

3. We suggested that Dominican Treasures should develop one or two products at a time. Create the alliances, Fam Trips and above all the knowledge of "how to sell" this type of product and then continue with the other products.

4. The marketing and sales platform was not only discussed with OPETUR it was also discussed with ADOTUR. All the other associations were invited to participate in this meeting but OPETUR and ADOTUR were the ones who always participated.

5. We disagreed with the website operation because it would create competition to precisely the associations which would market Dominican Treasures. Therefore, we suggested that the website should work as a web receiving all requests on line, but these requests should be sent simultaneously to all the members of the association (in the same way CVB's work for cities in the world) and that precisely the members would be the ones to answer to the requests. We DO NOT agree with a site that will capture our marketing efforts. They promised to review the matter. We have NOT heard about this anymore. We also discussed the sales platform where we agreed that Dominican Treasures would never sell directly and that any information should be on the basis of "rack rates". We certainly recommend that Dominican Treasures sales go through authorized sales agents (within our organizations). This "authorized sales agent" category should be achieved by going to a Fam and completing a training session.

5. We do not agree that ATAS is designed to help link anything. ATAS (reluctantly) is just another tour operator which can only sell Dominican Treasure products and in the same conditions we will be selling those products.

6. Although the 5 operative associations (OPETUR, ADOTUR, ASOTURE, ADOCA and ADAVIT) were always invited to the Dominican Treasures meetings, sadly only OPETUR and ADOTUR were available at all o the meetings. A memorandum was sent by me to the other associations as courtesy. We have been working with CDCT the possible solutions for the sales and marketing problems we still have. We fully agree that an alliance is the essence of the Dominican Treasures' products.

7. We have not yet seen any of the Dominican Treasure products.

8. We are not aware that ATAS is the entity that coordinates the membership, marketing and sales activities. If this is the case we will not be able to support the project. That was from the beginning our problem with Dominican Treasures and we thought this had been resolved. WE WILL NOT GO THROUGH ATAS TO RESERVE ANYTHING. If we need to go through ATAS we will not support the project.

I will be in the USA until the 15th of the month. Feel free to call me at 305-2185994

Thank you very much for your interest and support to our tourism projects and development.

Best Regards,

Elizabeth Tovar
President
ASOCIACION DOMINICANA DE OPERADORES DE
TURISMO RECEPTIVO

In addition, at the cluster level and with only certain tourism value chain stakeholders, since the start of ATAS/DT a range of activities (meetings, training, workshops, seminars, consultations, and so on) have been implemented to introduce ATAS/DR. In this context, another CDCT workshop was held at the Universidad Católica Santo Domingo on Friday, 8 July 2011 with the purpose of launching the commercialization or marketing and sales platform of ATAS/Dominican Treasures to educate the clusters. However, the majority of the participants were the same people that are in the DSTA Program cluster payroll, they came from all corners of DR representing the nine clusters, but none of the so called Dominican Treasures tourism products presented at the workshop are completed enough to be called a tour package or even ready to be tourism means-tested. In other words, the relevant tourism chain value stakeholders were absent. In short, ATAS is a waste of scarce resources.

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