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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

DOMINICAN REPUBLIC

FOR THE

**SOCIAL AND ECONOMIC DEVELOPMENT PROGRAMME FOR
VULNERABLE POPULATIONS IN THE BORDER PROVINCES**



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CURRENCY EQUIVALENTS

Monetary Unit	=	Dominican peso (DOP)
USD 1.00	=	17.05 DOP
DOP 1.00	=	USD 0.06

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2 204 pounds
1 000 kg	=	1 metric ton (t)
1 pound (lb)	=	450 grams (gr)
1 kilometer (km)	=	0.62 miles
1 meter (m)	=	1.09 yards
1 arroba (a)	=	11.5 kilograms
1 quintal (qq)	=	45.3 kilograms

ABBREVIATIONS AND ACRONYMS

INVI	<i>Instituto Nacional de la Vivienda</i> (National Housing Institute)
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
ONAPLAN	<i>Oficina Nacional de Planificación</i> (National Planning Office)
PMU	Programme Management Unit
PROPESUR	<i>Proyecto de Pequeños Productores Agrícolas de la Región Sur-Oeste- Fase II</i> (South Western Region Small Farmers Project – Phase II)
USAID	United States Agency for International Development

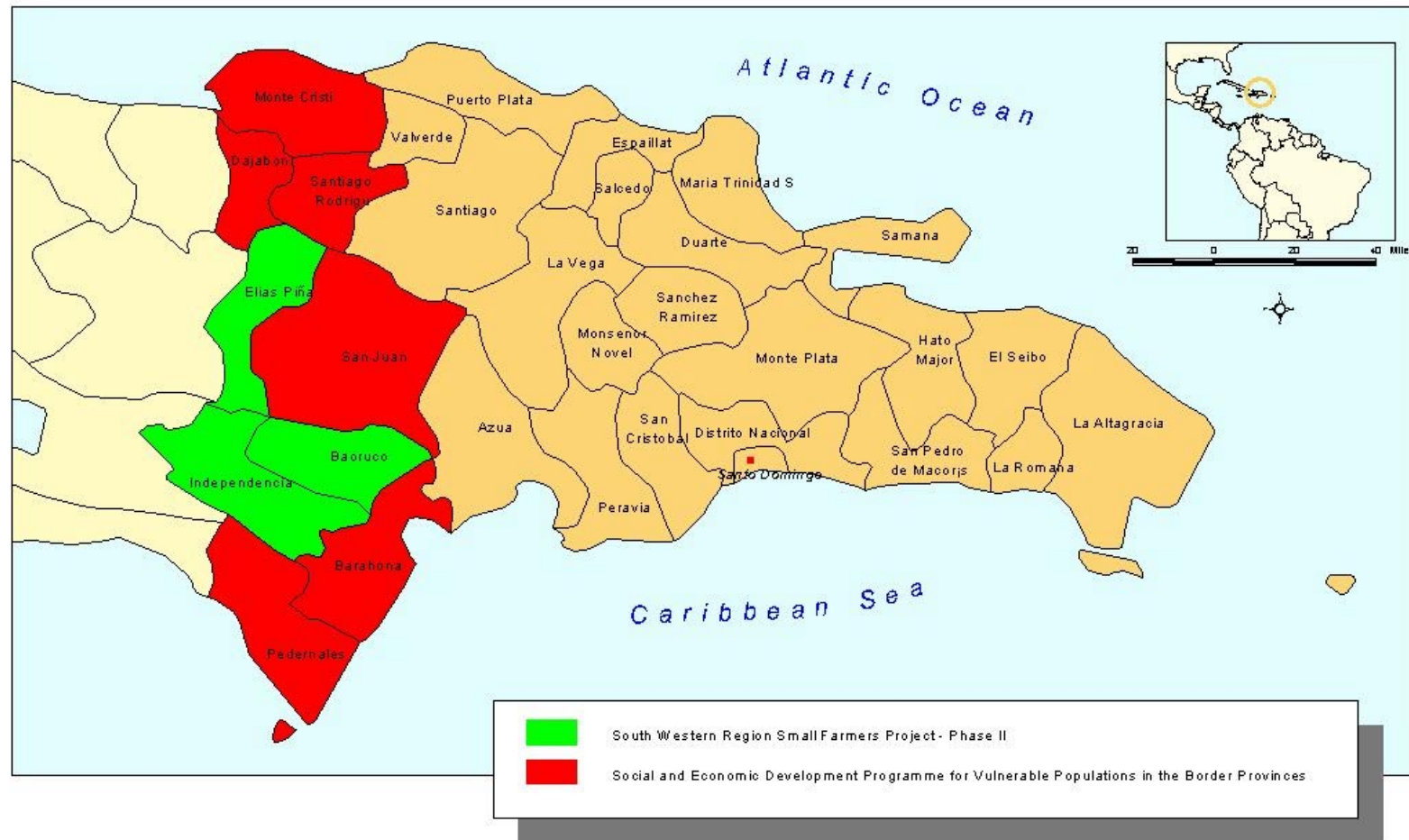
GOVERNMENT OF THE DOMINICAN REPUBLIC

Fiscal Year

1 January – 31 December

MAP OF THE PROGRAMME AREA

DOMINICAN REPUBLIC



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof





DOMINICAN REPUBLIC
SOCIAL AND ECONOMIC DEVELOPMENT PROGRAMME FOR VULNERABLE
POPULATIONS IN THE BORDER PROVINCES

LOAN SUMMARY

INITIATING INSTITUTION:	IFAD
BORROWER:	Dominican Republic
EXECUTING AGENCY:	National Planning Office (ONAPLAN)
TOTAL PROGRAMME COST:	USD 24.0 million
AMOUNT OF IFAD LOAN:	SDR 10.6 million (equivalent to approximately USD 14.0 million)
TERMS OF IFAD LOAN:	18 years, including a grace period of three years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually
COFINANCIERS:	OPEC Fund
AMOUNT OF COFINANCING:	USD 5.0 million
TERMS OF COFINANCING:	Loan
CONTRIBUTION OF BORROWER:	USD 4.0 million
CONTRIBUTION OF BENEFICIARIES:	USD 1.0 million
APPRAISING INSTITUTION:	IFAD
COOPERATING INSTITUTION:	United Nations Office for Project Services (UNOPS)



PROGRAMME BRIEF

Who are the beneficiaries?

The rural poor in the Dominican Republic include small rural producers; landless farmers and seasonal labourers; agricultural workers (including those on sugar cane plantations); micro entrepreneurs; and small traders in the border provinces. Extremely poor people, mainly of Haitian origin, especially the women and children of this group, constitute a particularly vulnerable segment of the population. The latest official poverty assessment estimated that 56% of the population was living under the poverty line and 19% under the extreme poverty line, with higher percentages in the rural areas. About 70% of programme beneficiaries earn less than USD 1 per day, the remaining 30% earning less than USD 2. About 241 000 rural poor reside in the programme area and, of these, 50 000 are extremely poor. The target group is estimated at 105 000 persons, of whom 35 000 will be direct beneficiaries, including 9 000 Dominicans of Haitian origin living in *bateys* (settlements for seasonal migrant workers) in the border areas.

Why are they poor?

Rural poverty is mainly attributable to scarce social and productive infrastructure; lack of access to productive assets; limited employment opportunities; inadequate agricultural services; falling international prices and reduced markets for traditional agricultural products; and lack of support to small rural business ventures. In addition, prejudice and social exclusion are among the most important causes of poverty among the poorest of the poor – Dominicans of Haitian origin. Furthermore, vulnerability to natural phenomena, such as Hurricane George, adds significantly to the difficulties facing poor rural people.

What will the programme do for them?

In line with IFAD's strategic framework, the programme aims at strengthening organizations of rural poor and their human and social resources as pillars of sustainable social and economic development in the border provinces. Human and social resources capacity in the programme area, particularly with regard to people of Haitian origin and their grass-roots organizations, will be strengthened through education, legal support to obtain birth certificates and identification documents, training and investments in social and productive infrastructure. The programme will finance a long-term, market-oriented economic plan to guide production, business and market support services. Special efforts will be made to ensure that women have access to training and productive services. By means of participatory methods, the programme will contribute to the Government's decentralization process in the border provinces, thereby promoting a democratic and comprehensive institutional development framework. The programme will also support activities geared to strengthening national policies for poverty reduction, including action to reduce conflict among poor rural groups at the community, local and national levels.

How will beneficiaries participate in the programme?

Based on lessons from other IFAD-supported projects in the Dominican Republic, programme design is based on a highly participatory framework, whereby beneficiary organizations will be responsible for implementing community development plans and deciding on programme investments and activities, particularly during formulation of annual work programmes. Beneficiaries and grass-roots organizations will participate fully in the implementation of the programme, in local and regional development activities, in appointing representatives to the Regional Steering Committee and in monitoring and evaluation.



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POPULATIONS IN THE BORDER PROVINCES**

I submit the following Report and Recommendation on a proposed loan to the Dominican Republic for SDR 10.6 million (equivalent to approximately USD 14.0 million) on ordinary terms to help finance the Social and Economic Development Programme for Vulnerable Populations in the Border Provinces. The loan will have a term of 18 years, including a grace period of three years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually. It will be administered by the United Nations Office for Project Services (UNOPS) as IFAD's cooperating institution.

PART I - THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY¹

A. The Economy and the Agricultural Sector

1. The Dominican Republic occupies the eastern two thirds (49 000 km²) of the Island of Hispaniola in the Western Caribbean Sea, bordering to the west with the Republic of Haiti. By 2000, the total population of the country had reached an estimated 8.3 million, of which 37% were settled in rural areas. It is estimated that 12% of the population has migrated permanently to Spain and the United States. Remittances from migrants account for 10% of the country's gross domestic product (GDP) of USD 1.6 billion.

2. During the 1990s, the Dominican Republic showed a sound economic performance based on dynamic sectors such as tourism, industrial free trade zones and, more recently, telecommunications. These sectors operate in a highly competitive environment, are closely linked to the world economy and have performed as main engines of growth for the Dominican Republic. However, traditional economic sectors, such as agriculture and industry, have shown very limited and irregular growth. Due to this duality, no new jobs and income-earning possibilities have been generated for a broad sector of the population. Preliminary data for the year 2001 indicate that the growth rate has decreased dramatically. Nevertheless, prospects for the country's macroeconomic development over the medium term are good, fiscal policies have been tightened up, inflation has remained low and both the public debt and total debt service have fallen.

3. As in most countries of the Latin American and the Caribbean (LAC) region, the contribution of the Dominican agricultural sector to GDP has fallen, from 20.1% in 1980 to 11.1% in 2000. The service sector plays a dominant role in the economy, contributing to more than half of GDP. Falling international prices of commodities have had a negative impact on agricultural production. In both volume and monetary terms, the production of main agricultural export items such as coffee, sugar cane, cacao and tobacco decreased in the period 1996-2000. Coffee exports fell by almost 60% while those of sugar cane and cacao decreased by 30-40%. In terms of export earnings, losses in the range of 48-60% were incurred for all these commodities. However, tobacco prices have fallen less dramatically because production has been geared to high-quality cigars, which have not been so badly

¹ See Appendix I for additional information.



affected by international tobacco prices. The production and export of organic bananas to Europe and the United States has registered satisfactory profits.

4. Most analysts² agree that while economic development in the Dominican Republic has reduced urban poverty, it has brought little or no benefit to the rural areas. Furthermore, the country's vulnerability to natural phenomena, for instance Hurricane George, the effects of which can still be seen in rural areas four years later, adds significantly to the difficulties faced by poor rural people. Rural poverty is mainly caused by inadequate provision of agricultural, financial and technological services; falling shares on international markets for coffee, tobacco and other products; lack of support to small rural business ventures and limited access to productive land. In addition to these constraints, prejudice and exclusion are among the most important causes of poverty among Dominicans of Haitian origin.

5. For almost the whole of the nineteenth century, illegal migrant workers from Haiti worked on sugar cane plantations in the Dominican Republic, housed in *bateys*³ during the harvesting season and living in extremely poor conditions. These workers were paid very little and had no access to any form of health assistance or other essential services. Many of them settled permanently in the *bateys* and bore children on Dominican soil, most of whom were left with no nationality due to their parents' lack of residence status and failure to register them in Haiti. Over time, the inhabitants of the *bateys* became isolated from Dominican society and subjected to severe discrimination, and today they are considered to be the poorest of the poor. Profits from the sugar industry have always been based on the exploitation of illegal migrant workers, and the *bateys* are a reminder of the *haciendas* of colonial times.

6. The latest official poverty assessment⁴ estimated that 56% of the population, or 4.6 million people, were living under the poverty line and that 19% (or 1.6 million) were under the extreme poverty line. The assessment also indicated a wide urban-rural poverty gap, with 46% of all poor people living in the towns and cities compared with 82% in the rural areas – a much greater disparity than in most other countries of LAC.

B. Lessons Learned From Previous IFAD Experience

7. The first phase of the South Western Region Small Farmers Project gave mixed results. While water users' associations and women's groups were organized satisfactorily, credit targeted to small farmers for agricultural production provided fewer tangible results; and there was little coordination between components and among participating government institutions. In the long run, the implementing agency's top-down approach acted as a disincentive to the beneficiaries. Moreover, the first-phase project's strong bias towards infrastructure investment (irrigation and drainage) made it difficult to implement a demand-driven and participatory approach.

² World Bank, 2001. *Dominican Republic: Poverty Report. Report No. 21306. June, 2001.*

Santana, I. 1999. *Evaluación del Programa de Combate a la Pobreza en la Sociedad Dominicana* (Evaluation of the Programme to Combat Poverty in Dominican Society). United Nations Development Programme (UNDP).

³ Settlements established on sugar cane plantations to house poor seasonal migrant workers from Haiti during harvest time.

⁴ National Planning Office (ONAPLAN), 1997. *Focalización de la Pobreza en la República Dominicana* (Focalization of Poverty in the Dominican Republic). Population Report.



8. Lessons learned from previous IFAD operations centred on the importance of:
- selecting projects identified by community and beneficiary groups in order to reach the greatest possible number of beneficiaries;
 - involving beneficiary groups as equal partners in the process of identifying, designing and building infrastructure, and ensuring their participation in monitoring the quality of design and execution;
 - performing a rigorous *ex ante* analysis of institutions in charge of managing credit;
 - balancing institutional participation with a mix of public and private institutions and local associations contracted through competitive selection procedures; and
 - promoting womens' participation and providing equal opportunities for rural women at all levels of project activity and organization.
9. Following a new approach and incorporating lessons learned, the National Planning Office (ONAPLAN) is implementing the second phase of the South Western Region Small Farmers Project (PROPEUR). ONAPLAN has national responsibility for social investments and poverty reduction, and has shown a more compatible approach to IFAD's poverty reduction and rural development strategies, promoting demand-led and participatory schemes among beneficiary organizations.

C. IFAD's Strategy for Collaboration with the Dominican Republic

10. The appalling social conditions and poverty of the country's vulnerable populations – men, women and children of Dominican/Haitian origin – confirm the need to broaden the scope of target population participation in joint IFAD-Government operations. Thus, while continuing to accord priority to small and landless farmers and rural women, the scope of new IFAD operations will include the most vulnerable rural populations. Under the present, more democratic political scenario, efforts have been redirected towards a systematic and comprehensive nationwide approach to both rural poverty and rural development. The strategic framework adopted for future IFAD interventions in the Dominican Republic focuses on empowering organizations of poor rural people living in the border areas in order to improve their socio-economic conditions and strengthen their socio-political role.

11. The Fund's strategy for the Dominican Republic is to improve the well-being of the country's poor and extremely poor people in the rural areas by improving their income-earning capacity. This calls for a more comprehensive approach. Improving the plight of vulnerable people of Haitian origin calls first of all for recognition of their right to Dominican citizenship (by means of birth certificates and legal identification documents), for better housing, education, health and sanitation services, and for improved nutritional programmes for children. Sugar cane workers, former labourers and rural youth, all of whom are linked to a declining activity, need training in skills that will improve their chances of obtaining better jobs and incomes outside the *bateys* and the sugar industry.

12. Attention will need to be paid to conflict resolution, since the programme will deal with problems of historical prejudice and exclusion. While including Dominicans of Haitian origin in the target group, a balanced approach should be taken in terms of the country's overall population so as to avoid or prevent conflicts among beneficiary groups. Every effort will be made to strengthen strategic partnerships, particularly with grass-roots organizations, in order to build up a non-conflictual development approach. To that end, the aim will be to seek the active participation of beneficiary groups and of local and national-level private organizations working with vulnerable populations. The Government's decentralization efforts will provide a suitable vehicle for establishing a demand-driven participatory approach to rural poverty reduction.



Poverty Eradication Activities of Other Major Donors

13. The Inter-American Development Bank (IDB), World Bank and European Union (EU) are the major multilateral donors operating in the Dominican Republic. With more than USD 800 million, IDB has the largest portfolio of loans and operations, with projects geared towards the reform and modernization of government, water, sewerage, electricity supply, roads, education and health. The World Bank portfolio amounts to more than USD 300 million, with investments in health (prevention and control of HIV/AIDS), electric power, market development, education and post-Hurricane George reconstruction. The 1996-2000 Indicative Plan of the EU foresaw investments of some USD 125 million focused on education, health and market development for urban and rural populations in the regions bordering Haiti.

14. Bilateral donors include the United States Agency for International Development (USAID), the German Credit Institution for Reconstruction (KfW), the German Agency for Technical Cooperation (GTZ) and the Governments of Italy, Japan and Spain. Despite the fact that USAID's country programme has been reduced in past years, its contribution to post-Hurricane George reconstruction work amounted to almost USD 100 million. The Agency's new operational programme, now awaiting approval by the United States Congress, will include support for HIV/AIDS prevention and control, and a 'food-for-education' scheme for children from the *bateys*. KfW has been supporting the *Pro-Comunidad* social investment intervention, whereas GTZ has provided support for the Government's decentralization programmes currently under implementation by ONAPLAN.

PART II – THE PROGRAMME

A. Programme Area and Target Group

15. The programme area covers the six provinces of Monte Cristi, Dajabón, Pedernales, San Juan, Barahona and Santiago Rodríguez, close to the border with Haiti. The other three border provinces (Bahoruco, Elias Piña and Independencia) are covered by PROPESUR.

16. The morphology of the target area is 65% of flat lands and 35% of hilly areas. Temperatures range from 20°C to 35°C, with rainfall levels of 500-1 600 mm/year. The hilly areas are devoted to coffee production and timber extraction, while flat lands are oriented towards sugar cane plantations, mangoes, citrus fruit and bananas, rice, corn, beans and tropical roots. Medium and small-scale livestock husbandry is also carried forward in the area, either as dual purpose (beef and milk) or as specialized (dairy) production. Small farmers combine rice production with maize, beans and tropical fruit, particularly bananas, and some own two-to-four head of cattle for beef and milk production.

17. A number of small-scale fruit processing concerns and many small retail businesses, mechanical workshops, etc., are present in the programme area. Artisanal fishermen are located along the coastal areas of Pedernales, Barahona and Monte Cristi provinces. Mining and the processing of larimar, a semi-precious local stone, are undertaken in Barahona province. There are two rural markets in Dajabón and Pedernales, where agricultural and non-agricultural products are traded twice-weekly by large numbers of buyers/sellers from both countries. These markets could provide an important outlet for local small-scale agricultural and microenterprise producers, who currently have little access to them.

18. The poor rural people in the border provinces include small and landless farmers, microentrepreneurs, petty traders, rural inhabitants, agricultural workers (including those on sugar cane plantations) and labourers in the rural services sector. These include extremely poor and vulnerable poor people of Haitian origin, mainly women, youth and children. The highest illiteracy rates (60%) and lowest educational levels (24.7%) are to be found among rural women, compared with rural men or urban women. Only 32% of these women have some kind of wage employment (compared with 78.3% for men) and their income is half that of men. Woman-headed households constitute the lowest income-earning segment of rural society, indicating a high incidence of poverty



and extreme poverty among such families. Living conditions in the rural areas, especially in *bateys*, are such that women find it extremely difficult to do their domestic chores. The lack of electricity, running water and sewerage systems and the total disrepair of most dwellings not only increase the time required for domestic tasks but also lead to serious health risks, particularly for small children.

19. According to a study on *bateys* by USAID, 33% of all children below the age of five are prone to acute respiratory disease, 44% to high fevers and 21% to diarrhoea. Only 50% have access to medical services or have been treated at a hospital or health post. Due to their lack of birth certificates, many children (30%) are denied access to education. However, the Secretary of State for Education recently requested that all children be allowed to receive primary education, irrespective of the availability or otherwise of birth certificates. The situation is more difficult with regard to secondary schooling, for which birth certificates are essential. Thus, inadequate education and lack of birth certificates for poor rural children are among the major factors perpetuating poverty in the rural areas.

20. According to official data, more than 570 000 people live in the six provinces of the programme area and, of these, 300 000 are located in rural areas. Poverty data included in the country poverty map prepared by ONAPLAN show that the programme area comprises almost 241 000 rural poor and more than 50 000 extremely poor, 45% of whom are Dominicans of Haitian origin. The target group has been estimated at 105 000 persons, of whom 35 000 will benefit directly from the programme and 70 000 indirectly⁵.

B. Objectives and Scope

21. The general strategy and rationale of the programme are in line with the Government's current rural development and poverty policies and priorities, and with the *Strategic Framework for IFAD 2002–2006* and its country strategy and operational guidelines⁶, as shown in the programme design matrix. The strategy is based on a holistic approach to improving human and social capital and to the economic development of the target population. A synthesis of the programme strategy approach is presented in a Programme Design Matrix⁷.

22. As approved by the Government, the programme has the unique characteristic of fully addressing the poverty situation 'both of Dominicans of Haitian origin and of poor rural Dominicans as a whole, thereby broadening the traditional range of beneficiaries under past IFAD projects. The composition of the target group represents a challenge inasmuch as it includes a marginalized group of Dominican citizens with a specific set of social and civil rights and a long history of discrimination. Furthermore, the programme will be required to take a 'reduced conflict' approach in each of its components.

23. The aforementioned approach will help establish the social and economic rights of marginal groups, especially because the Government has little control over the (now privatized) sugar cane industry and any efforts to reduce poverty may therefore need to originate from outside smallholder agriculture. In a country with historical links to *bateys* and sugar cane production, this approach implies the 'debateyzation' of rural areas, which will imply not only shifting the axis of the labour market but also transforming *bateys* in rural communities that have little or no relation to the sugar industry. Therefore, if the aim of significantly reducing extreme poverty is to be achieved, new and more innovative approaches to poverty reduction, accompanied by continuous political support from the Government, will be needed. Finally, since the vulnerable populations, particularly Dominicans of Haitian origin, have always been subjected to social/political exclusion and severe discrimination, efforts will be needed to integrate them into the social fabric of the country, thereby providing them with citizenship and boosting their self-esteem.

⁵ See Table 1 in Appendix III for further information.

⁶ IFAD, 1999. Dominican Republic: Country Strategic Opportunities Paper (COSOP).

⁷ See Table 2 in Appendix III for further information.



24. The overall objective of the programme is to empower organizations of rural poor people living along the border to escape from their poverty, exclusion and discrimination by means of an inclusive, comprehensive and environmentally-sustainable socio-economic rural development programme. The specific objectives are to: generate effective participation and decision-making capabilities among beneficiary grass-roots organizations and in social and economic development processes at the local level; bring about a significant and sustainable improvement in the income-generation capacity of the target population, accompanied by higher returns to wage labour; improve beneficiaries' living conditions and social infrastructure; strengthen the current decentralization, poverty reduction and regional development policies, strategies and operational tools of the Government and ONAPLAN; and strengthen partnerships with selected trade organizations in order to stimulate sustainable and profitable markets.

C. Components

25. The programme is structured around four components: human and social capital development; sustainable income generation; social infrastructure; and policy dialogue and institutional strengthening. The programme will also include a programme management unit (PMU).

Human and Social Capital Development

26. This component will help to strengthen the human and social capacity of beneficiary grass-roots organizations to participate in social and economic development processes at the local, municipal and regional levels. This will involve:

- **Legal assistance.** The programme will provide financial support to broaden, in a significant manner, the scope and coverage of legal assistance services currently offered by specialized local and national non-governmental organizations (NGOs) for registration of birth certificates and issuance of identification documents, both to poor rural Dominicans and to Dominicans of Haitian origin.
- **Literacy and education for children and young people.** Support will be provided to increase the scope of the local education system to include additional classes for adults and young⁸ people (basic reading and writing), and increase the number of children and young men and women enrolled in local basic education programmes.
- **Strengthening of grass-roots organizations.** The programme will provide regular training for local grass-roots organizations to help increase their capacity for participatory diagnosis, prioritization of community demands and implementation of local social projects. Municipal staff also will be trained in participatory rural development planning, project design and rural development and in decentralization processes.

Sustainable Income Generation

27. The objective of this component is to significantly improve the income sources of the target population on a significant and sustainable basis through market-oriented productive activities and higher returns to wage labour. Activities to be implemented under this component are as follows:

- **Economic Development Plan for the Border Provinces.** This involves a study to identify agricultural and non-agricultural activities with the highest profitability and market scope at the regional and national levels. The study will become a long-term planning instrument to be used as a reference point for central and local government and

⁸ For persons of ages between 15 and 35 years.



private-sector investments, as well as a general guiding framework for beneficiaries' productive demands and projects.

- **Technical support services.** Demand-driven technical support services will be contracted to help plan, implement and operate economic investments in agricultural and livestock production, rural microenterprises and artisanal fishing and mining. Market information studies and support services will help economic organizations to identify potential markets and promising opportunities for local products.
- **Strengthening of local service providers.** A local NGO and consultants and staff of public institutions will receive regular training in rural socio-economic development to enable them to effectively support beneficiaries' initiatives.
- **Productive Fund.** Cofinancing will be provided from the Fund to formal and/or informal economic organizations (rather than individuals) for investments in productive infrastructure. The Fund will act as seed capital to help in the capitalization of poor farmers, microentrepreneurs, artisanal fishermen and miners as a first step in the modernization and market orientation of current productive activities. Once economic organizations have reached an adequate level of productive capitalization and launched a market-oriented productive activity, the programme will provide support to access local sources of credit, either through the financial services component of PROPESUR or through local rural financial services.

Social Infrastructure

28. Support will be provided to improve the social infrastructure of rural communities, specifically: repair and/or construction of dwellings, latrines, water supply systems and small electrification units; and for the refurbishment, repair and/or construction of rural schools and health posts. Beneficiaries will provide labour and local building materials. Limited cash contributions will be requested in view of the extreme poverty of the beneficiaries and based on the experience gained under PROPESUR. Municipal and provincial government funds, NGOs and other government programmes will provide cofinancing for this purpose. Community self-construction schemes will be selected to enhance the 'ownership' of the community and to provide jobs to unskilled labourers. Houses in *bateys* and rural communities will be built in cooperation with the National Housing Institute (INVI). Firm commitments from the Secretariats of Education and Health will be prerequisites for financing the construction and/or repair of rural schools and health posts, as stipulated in the regulations and by-laws of the Social Infrastructure Fund.

Policy Dialogue and Institutional Strengthening

29. The objective here is to strengthen the Government's current strategies for decentralization, poverty reduction and regional development. Support will be provided for regular national and local-level seminars dealing with government poverty-reduction policies and strategies, decentralization, border area development and conflict resolution. The Latin American Faculty of Social Sciences will be responsible for organizing the seminars with the participation of government, civil-society and grass-roots organizations. The component will also support action aimed at the minimization and/or resolution of social conflicts resulting from prejudice and social exclusion of Dominicans of Haitian origin. This effort will be supported by a social communication strategy based on the results of national and local seminars.

30. Components will be implemented following a phased approach⁹, with the human and social capital development component initiating its activities as programme start-up to identify and strengthen community grass-roots organizations. During the first phase, activities under the Economic Development Plan for the Border Provinces and the identification of income-generating activities will be implemented (Appendix IV).

⁹ See Appendix V for additional information.

D. Costs and Financing

31. Total programme costs are estimated at USD 24.0 million. The five-year programme will be financed by an IFAD loan of USD 14.0 million (58% of total costs), OPEC Fund cofinancing of USD 5.0 million (21%), a Government contribution of USD 4.0 million (17%), and an in-kind contribution from the beneficiaries of USD 1.0 million (4%). The total cost of the human and social capital development component will amount to USD 4.4 million, representing 19.0% of total programme costs; sustainable income generation - USD 8.1 million (35%); social infrastructure - USD 5.3 million (23%); and policy dialogue and institutional strengthening - USD 1.9 million (8%). The costs involved in the PMU will amount to USD 3.3 million (14%), including monitoring and evaluation (M&E) (3%) and strategic gender activities (3%).

TABLE 1: SUMMARY OF PROGRAMME COSTS^a
(USD '000)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
A. Human and Social Capital Development					
- Legal assistance	1 568	277	1 845	15	8
- Literacy and education	2 155	368	2 523	15	11
- Strengthening of grass-roots organizations					
Subtotal	3 723	645	4 368	15	19
B. Sustainable Income Generation					
- Economic Development Plan for the Border Provinces					
- Technical support services ^b	2 774	500	3 275	15	14
- Productive Fund	3 262	963	4 225	23	18
- Strengthening local service providers	382	261	643	41	3
Subtotal	6 419	1 724	8 143	21	35
C. Social Infrastructure	4 399	863	5 262	16	23
D. Policy Dialogue and Institutional Strengthening					
- Regular seminars and institutional strengthening	1 450	232	1 682	14	7
- Reduction of social conflict	220	34	254	13	1
Subtotal	1 670	265	1 935	14	8
E. Programme Management Unit					
- PMU	1 695	235	1 930	12	8
- M&E	523	83	606	14	3
- Gender strategy	622	165	787	21	3
Subtotal	2 840	483	3 323	15	14
Total base costs	19 051	3 980	23 032	17	100
Physical contingencies	150	35	185	19	1
Price contingencies	674	109	783	14	3
Total programme costs	19 876	4 124	24 000	17	104

^a Discrepancies in totals are due to rounding up.

^b Economic Development Plan for the Border Provinces.

TABLE 2: FINANCING PLAN ^a
(USD '000)

COMPONENTS	IFAD		OPEC		Beneficiaries		Government		TOTAL		For. Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Human and Social Capital Development													
Legal assistance	1 466	75	487	25	-	-	0	-	1 954	8	293	1 660	-
Literacy and education													
Strengthening of grass-roots organizations	1 887	71	580	22	-	-	180	7	2 647	11	386	2 222	39
Subtotal	3 353	73	1 067	23	-	-	180	4	4 601	19	679	3 883	39
B. Sustainable Income Generation													
Economic Development Plan for the Border Provinces													
Technical support services ^b	2 505	71	766	22	-	-	269	8	3 539	15	542	2 940	57
Productive Fund	1 893	45	1 044	25	670	16	618	15	4 225	18	963	3 262	-
Strengthening of local service providers	493	71	164	24	-	-	39	6	696	3	272	386	39
Subtotal	4 891	58	1 973	23	670	8	926	11	8 460	35	1 777	6 588	96
C. Social Infrastructure	2 365	45	1 236	23	330	6	1 348	26	5 279	22	865	4 383	31
Subtotal													
D. Policy Dialogue and Institutional Strengthening													
Regular seminars and institutional strengthening	1 299	72	413	23	-	-	87	5	1 798	8	248	1 528	23
Reduction of social conflict	162	59	33	12	-	-	82	30	276	1	36	222	18
Subtotal	1 461	70	445	22	-	-	168	8	2 075	9	284	1 750	41
E. Programme Management Unit													
PMU	965	47	45	2	-	-	1 051	51	2 061	9	250	1 657	154
M&E	379	59	77	12	-	-	184	29	640	3	87	513	40
Gender strategy	586	66.3	156	18	-	-	142	16	884	4	183	668	33
Subtotal	1 929	54	278	8	-	-	1 377	38	3 585	15	520	2 838	227
Total Disbursement	14 000	58	5 000	21	1 000	4	4 000	17	24 000	100	4 124	19 441	434

^a Discrepancies in totals are due to rounding up.

^b Economic Development Plan for the Border Provinces.





E. Procurement, Disbursement, Accounts and Audit

32. **Procurement.** The procurement of goods and works financed by IFAD will be undertaken in accordance with the Fund's procurement guidelines and Government regulations. Vehicles and equipment will be procured through local competitive bidding. Private rural development agencies, NGOs, technical assistance, training and/or service providers will be contracted through local bidding, in accordance with the cooperating institution's procedures and acceptable to IFAD and the Government.

33. **Disbursements** will be made from the loan account in accordance with the procedures established in the loan documents. A special account denominated in United States dollars will be opened at the Central Bank or another bank acceptable to IFAD. An account in local currency will be opened at the National Reserve Bank, into which counterpart funds will be deposited by the Government from its resources on an annual basis. Programme funds will be allocated annually on the basis of the annual work plan and budget (AWP/B) approved by the programme steering committee. The PMU will submit documentation on programme expenses to ONAPLAN and the cooperating institution, which will verify eligible expenses and submit disbursement requests to IFAD.

34. **Accounts and audits.** Immediately upon loan effectiveness, the programme will set up an accounting and internal control system to be designed and installed by a specialized accounting firm. Accounting will be by component, categories and sources of financing and the Government's expense classification procedures. An audit firm satisfactory to IFAD will be selected to undertake annual financial and management audits financed by the programme. Other contracted agencies will maintain separate accounts for programme-related expenditures. Consolidated audit reports will be submitted to IFAD and the cooperating institution on a yearly basis.

F. Organization and Management

35. ONAPLAN will be responsible for programme implementation. A Programme Regional Development Committee (PRDC) will be set up and chaired by the director of ONAPLAN. Members will include three representatives of regional development councils, three provincial governors, mayors of the capital municipalities of the provinces that comprise the programme area, one regional senator and one congressman from the participating provinces, as well as four elected beneficiary representatives (on a bi-annual rotational basis). The programme will prioritize the election of at least one woman beneficiary as representative per bi-annual period. The programme director, the coordinator and the Senior Technical Adviser will be *ex officio* members of the PRDC but with no voting power, and the former will act as its secretary. PRDC will conduct formal meetings in the programme area on a rotational basis, and will be responsible for legal aspects of programme operations. Regional delegates from the Secretariats of Health, Education and Public Works and from INVI will be invited to participate whenever inter-sector coordination of programme actions is required.

36. An officer responsible for the coordination of rural development and decentralization programmes will be selected to IFAD's satisfaction. He/she will guide and coordinate, under the responsibility of the national director of ONAPLAN, all programmes aimed at combating poverty in the border area and support the Government's decentralization process, guaranteeing the representation of organizations of rural poor.

37. A PMU with financial and administrative autonomy will be established by ONAPLAN in the programme area. The unit will be responsible for all planning and supervision; all social and productive fieldwork will be implemented by contracted NGOs and civil-society organizations. Preference will be given to groups of local grass-roots organizations with social and productive outreach capacity. A programme director will be appointed following a competitive selection process, to IFAD's satisfaction, as well as an internationally-recruited senior technical adviser.



38. The PMU will comprise a technical assistant director and three technical support units for administration, M&E and gender. The administrative unit will deal with all accounting and administrative matters and will maintain records of all IFAD loan and Government counterpart expenses. The M&E unit will be coordinated by a specialist and one assistant. The gender unit will comprise one high-level adviser to the programme director in matters of gender policies and operational strategies. Four component coordinators and one programme liaison officer located in Santo Domingo will maintain relations with ministries and other public/private organizations involved in programme activities. A farm/business unit will be established to deal with the sustainable income generation component. Women will fill at least 30% of all professional positions in the PMU.

39. The following actions have been agreed with ONAPLAN and PROPEUR to ensure the greatest possible coordination of operations in the border provinces: (i) a coordinating committee comprising the programme and PROPEUR directors and the senior technical adviser will meet at least once a month; (ii) the technical staff of the programme and PROPEUR will meet periodically to coordinate actions and annual work plans; (iii) a special effort will be made in terms of the coordination of rural credit activities to ensure the access of programme beneficiaries to PROPEUR lending operations; and (iv) gender and M&E activities will be established under a unique strategy and operational tool.

40. Special coordinating action will be developed with IFAD projects located on the Haitian side of the border. A coordinating committee will be set up to ensure a harmonious socio-economic development approach to both sides of the border provinces. The recent formation of a Dominican/Haitian bi-national commission to seek financial resources for border area development programmes gives further reassurance of a balanced development initiative.

41. At the programme level, the gender approach will aim to create the conditions for: (i) equal access of all rural men and women to productive, training and investment opportunities under the programme; (ii) implementing action aimed at reducing the educational/training gap between rural men and women; and (iii) supporting full participation of rural women in economic organizations. As a result of these actions, the programme should achieve significant improvements in terms of both boosting rural women's self-esteem and increasing their productive/entrepreneurial, and income-generating capacity.

42. Gender activities to be implemented and/or financed will include, *inter alia*: (i) support in selecting programme staff sensitive to gender issues; (ii) training on gender issues for PMU staff; (iii) application of gender-oriented strategies and methodologies in all programme components; (iv) leadership training for women members of local organizations; (v) women's active participation in social and economic organizations; (vi) design and implementation of gender-related field studies; (vii) support to a gender-oriented M&E system; and (viii) promotion of domestic time-saving investments for rural women engaged in income-earning activities.

43. An M&E unit will provide regular information on implementation and impact, using regionally 'tested' M&E methodologies with support from the Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL). Based on the characteristics of the programme area and the beneficiaries, analyses and procedures will be adjusted to fit the programme's specific requirements so as to develop the basis of progress and evaluation indicators. The unit will coordinate the M&E activities of all actors in programme activities. The PMU will be responsible for coordinating M&E activities, with the participation of co-executing agencies and local organizations through a participatory social audit methodology. The system will focus on measuring programme impact. Particular care will be taken to coordinate action with the M&E unit of PROPEUR and to pay attention to gender equity, both by



separating data by sex and measuring progress by programme component, and by the impact on reducing gender inequities in the border area.

G. Economic Justification

44. The programme will promote the social, political and economic integration of rural inhabitants of the border provinces into the country's development mainstream. Furthermore, human capital and economic development activities under the programme will contribute to strengthening the self-awareness of poor rural populations, particularly Dominicans of Haitian origin, stimulating their effective participation in local development programmes and promoting the empowerment of their grass-roots organizations.

45. Thanks to its decentralization plan and institutional coordinating strategies, by the end of the programme, government and civil society will have set in train coordinated action and investments on the part of all institutions involved, based on a common, long-term development plan. The Economic Plan for the Border Area, funded and executed by the programme with the full support and participation of local grass-roots organizations and public institutions, should be the major model instrument for the medium- and long-term planning of the Government's decentralization, rural socio-economic development and poverty-reduction programmes.

46. The programme will strengthen the human and social resource base and ensure the sustainable social and economic development of 35 000 poor small-scale farmers (both men and women) and wage-worker families located in provinces in the border provinces. The human resource capacity of the programme area, particularly that of rural grass-roots organizations and of rural women, will be enhanced through regular training. Men and women beneficiaries will be supported and trained in small farming, livestock production, microenterprise management and marketing, with grass-roots and community leaders actively involved in their local development efforts.

47. A total of 70 000 additional persons will benefit indirectly from the programme by having access to investments in social services (education and health), water, sewerage, electrification works and rural roads, among other things, that will significantly improve living conditions and the transportation and communication network in the border provinces. These persons will also benefit from investments in watershed management and natural resource conservation to be implemented by the programme.

48. Legal support to rural poor Dominicans of Haitian origin to obtain birth certificates and identification papers will constitute an important first step to their social and economic integration. Open dialogue on the plight and situation of Dominicans of Haitian origin, coupled with a local and national conflict minimization and communication strategy, will help Dominicans to view their most vulnerable people as an integral part of society. Programme efforts to overcome current restrictions on their access to education will help boost the self-esteem of vulnerable populations in the border areas.

H. Risks

49. A number of risks are involved owing to the Government's current administrative policies regarding the social and economic betterment of the rural poor and of Dominicans of Haitian origin. The programme will be required to collaborate in strengthening the Government's poverty-reduction policies and delivery mechanisms. However, it will aim, and provide resources for that purpose, to improve the country's institutional framework and current decentralization policies and actions. As in all IFAD projects, as a first priority, organizations of poor rural people will be supported and strengthened.

I. Environmental Impact

50. As the potential environmental impact of the programme can be addressed through environmentally sensitive recommendations and interventions, it has been classified as category B. Investments and action under the programmes' proposed technologies will alleviate and recover some of the areas threatened by degradation. Technical assistance relating to agricultural and microenterprise development will be consistent with recognized safe practices in terms of soil, water and vegetation conservation, and the regulated use of pesticides and chemicals. The programme will support environmental conservation works (USD 500 000) in sensitive areas. Reduction of soil erosion, better watershed management and restoration of bio-diversity are among expected environmental benefits of the programme.

J. Innovative Features

51. The programme has four main innovative features: (i) government support to include Dominicans of Haitian origin, strengthening the citizenship rights of vulnerable populations through legal support, minimization of social conflict and an active communications strategy; (ii) empowering local grass-roots organizations, stimulating their participation as actors in the programme and giving them decision-making powers in local rural development efforts; (iii) a phased approach to poverty reduction, emphasizing citizens' rights, education and well-being as the entry point for economic development; and (iv) full support to a decentralization and local governance process.

PART III – LEGAL INSTRUMENTS AND AUTHORITY

52. A loan agreement between the Dominican Republic and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement will be tabled at the session.

53. The Dominican Republic is empowered under its laws to borrow from IFAD.

54. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

PART IV – RECOMMENDATION

55. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Dominican Republic in various currencies in an amount equivalent to ten million six hundred thousand Special Drawing Rights (SDR 10 600 000) to mature on and prior to 15 July 2020 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, and to be upon such other terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President

Lennart Båge
President

SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED LOAN AGREEMENT

(Loan negotiations concluded on 5 November 2002)

1. The Dominican Republic (the Government) will obtain from the Organization of the Petroleum Exporting Countries (OPEC) a loan (the OPEC Loan) in the amount of approximately five million United States dollars (USD 5.0 million), to assist in cofinancing the programme in accordance with the conditions established in an agreement (the OPEC Agreement) to be concluded between the Government and OPEC.
2. To finance implementation of the programme, the Government will make the loan proceeds available to the National Planning Office (ONAPLAN) in accordance with the annual work plans and budget and customary national procedures for development assistance.
3. ONAPLAN will make available to the Project Management Unit (PMU), during programme implementation, counterpart funding in Dominican pesos in a total amount equivalent to approximately USD 4.0 million, in accordance with the annual work plans and budget and customary national procedures for development assistance. To this end, the Government will deposit in the programme account, as soon as possible but in any event within the 120 days following the effective date, counterpart funds in an initial amount in Dominican pesos equivalent to USD 500 000, to cover the first programme year, and will thereafter replenish the programme account by depositing the counterpart funds called for in the annual work and budget for the respective programme year annually in advance.
4. The Government will ensure that the loan proceeds are made available to ONAPLAN in accordance with the annual work plans and budget.
5. ONAPLAN, IFAD and the United Nations Office for Project Services (UNOPS) will undertake a joint review of programme implementation 30 months after the effective date (mid-term review), in accordance with terms of reference prepared by the PMU and approved by IFAD and UNOPS. Said review will consider, *inter alia*, the achievements of programme objectives and the constraints and difficulties encountered, and will recommend adjustments as necessary in order to achieve such objectives and remove such constraints and difficulties.
6. Within three months following the close of the respective fiscal year, the Government will hire, with the prior approval of IFAD and UNOPS, a specialized firm selected by the Government in accordance with procedures and criteria agreed by the Government and IFAD to audit the accounts related to the programme for the first fiscal year. As soon as practicable but in no event later than 90 days after the beginning of each succeeding fiscal year, the Government, with the prior approval of IFAD and UNOPS, will confirm the appointment or will appoint other independent auditors selected in similar way.
7. Agreements between the Government and the Secretariats of State for Health, for Education and for Public Works, and the National Housing Institute (INVI), among other public agencies, will formalize the joint execution of actions selected by the programme in the areas of adult education, health and housing, as well as actions related to the building, repair and maintenance of rural roads. Such actions will be carried out by specialized agencies or firms, and/or non-governmental organizations (NGOs) or civil-society organizations, selected in accordance with the provisions of the implementation manual and the respective regulations.



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8. The Government will guarantee exemption from taxes on the importation, purchase and supply of all goods and services financed against the proceeds of the loan in accordance with national legislation. Furthermore, the Government will guarantee that the national counterpart funds cover the payment of all taxes for which national legislation does not grant exemptions for international cooperation programmes.

9. The Government will ensure programme staff against illness, death and accident to such extent as is compatible with good practice.

10. The Government will strive to ensure that the programme brings about a significant improvement in self-esteem among rural women, in their productive and entrepreneurial capacity, and in their income-generating capacity. In cases where professional qualifications are equal, women should hold at least 30% of all professional positions under the programme. The gender activities will include: (i) support for selecting individuals sensitive to gender issues to staff the PMU; (ii) systematic gender training for the staff of the PMU, NGOs and private institutions providing specialized services under the programme; (iii) active participation by women in social and economic organizations; (iv) leadership and management training specifically for women; and (v) support for a monitoring and evaluation system that includes a gender approach.

11. The PMU will prepare a draft implementation manual for the programme once the technical team has been established, but not later than six months after the effective date. Said draft is to contain details on the following, *inter alia*: (i) procedures and documents to be used in bid processes in accordance with the provisions of the loan agreement; (ii) administrative, financial, accounting and audit regulations applicable to accounting statements and financial reports; (iii) functions of the programme's regional development committee (CDRP), the PMU, the other members and the units of the programme; (iv) terms of reference of the programme's management staff; (v) regulations governing the use of the social infrastructure fund and the production investment fund, which include, among other things, the eligibility criteria, the maximum amounts to be financed and the beneficiary cofinancing requirements; (vi) the amounts requiring the joint or separate signature of the programme director and/or the senior technical advisor for the administration of programme accounts; and (vii) such other items as the Government and IFAD may agree upon.

12. To implement the components on social infrastructure and sustainable income generation, the PMU will prepare, to IFAD's satisfaction, draft versions of the operating regulations for the social infrastructure fund and the production investment fund as soon as possible, but in any event within the six months following the effective date. Said regulations are to contain, *inter alia*, the following information: (i) the criteria for eligibility and selection of end beneficiary proposals; (ii) the maximum amounts to be financed; (iii) the procedures for identification, selection, qualification, formalization, implementation, and monitoring and evaluation of subprojects financed by the funds; and (iv) such other provisions as IFAD and the Government may agree upon from time to time.

13. No disbursements will be made from the loan in respect of expenditures related to the social infrastructure fund until the Government has delivered to IFAD with a copy of the operating regulations for the social infrastructure fund as approved by ONAPLAN.

14. The following are specified as additional conditions precedent to the effectiveness of the Loan Agreement:

- (a) that ONAPLAN has selected and duly appointed the programme director to IFAD's satisfaction;
- (b) that the Government has duly opened the programme account and the special account;



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- (c) that the loan agreement has been duly signed, and that the signature and performance thereof by the Government have been duly authorized and ratified by all the necessary administrative and governmental action;
- (d) that a signed copy of the loan agreement has been delivered to IFAD, in form and content acceptable to IFAD, and certified as true and complete by a competent official of the Government; and
- (e) that a favourable legal opinion, issued by the Legal Counsel of the Executive Branch, in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.

COUNTRY DATA

DOMINICAN REPUBLIC

Land area (km² thousand), 2000 1/	48	GNI per capita (USD), 2000 1/	2 100
Total population (million), 2000 1/	8.6	GNP per capita growth (annual %), 2000 1/	6.3
Population density (people per km²), 2000 1/	177	Inflation, consumer prices (annual %), 2000 1/	6.5 a/
Local currency	Dominican peso (DOP)	Exchange rate: USD 1 =	DOP 17.05
Social Indicators		Economic Indicators	
Population (average annual population growth rate), 1980-99 2/	2.0	GDP (USD million), 2000 1/	19 894
Crude birth rate (per thousand people), 2000 1/	24 a/	Average annual rate of growth of GDP 2/	
Crude death rate (per thousand people), 2000 1/	5 a/	1980-90	3.1
Infant mortality rate (per thousand live births), 2000 1/	39 a/	1990-99	5.8
Life expectancy at birth (years), 2000 1/	71 a/	Sectoral distribution of GDP, 2000 1/	
Number of rural poor (million) (approximate) 1/	0.9	% agriculture	11
Poor as % of total rural population 2/	30	% industry	32
Total labour force (million), 2000 1/	3.8	% manufacturing	16
Female labour force as % of total, 2000 1/	31	% services	58
Education		Consumption, 2000 1/	
School enrolment, primary (% gross), 2000 1/	94 a/	General government final consumption expenditure (as % of GDP)	8
Adult illiteracy rate (% age 15 and above), 2000 1/	16	Household final consumption expenditure, etc. (as % of GDP)	79
Nutrition		Gross domestic savings (as % of GDP)	13
Daily calorie supply per capita, 1997 3/	2 288	Balance of Payments (USD million)	
Malnutrition prevalence, height for age (% of children under 5), 2000 1/	11 a/	Merchandise exports, 2000 1/	5 700
Malnutrition prevalence, weight for age (% of children under 5), 2000 1/	6 a/	Merchandise imports, 2000 1/	9 700
Health		Balance of merchandise trade	-4 000
Health expenditure, total (as % of GDP), 2000 1/	4.8	Current account balances (USD million)	
Physicians (per thousand people), 1999 1/	1.3	before official transfers, 1999 1/	-2 277
Population without access to safe water (%), 1990-98 3/	21	after official transfers, 1999 1/	-429
Population without access to health services (%), 1981-93 3/	n.a.	Foreign direct investment, net 1999 1/	97 a/
Population without access to sanitation (%), 1990-98 3/	15	Government Finance	
Agriculture and Food		Overall budget deficit (including grants) (as % of GDP), 1999 1/	0.6 a/
Food imports (% of merchandise imports), 1999 1/	n.a.	Total expenditure (% of GDP), 1999 1/	16.3 a/
Fertilizer consumption (hundreds of grams per ha of arable land), 1998 1/	893	Total external debt (USD million), 1999 1/	4 771
Food production index (1989-91=100), 2000 1/	98.1	Present value of debt (as % of GNI), 1999 1/	28
Cereal yield (kg per ha), 2000 1/	3 872	Total debt service (% of exports of goods and services), 1999 1/	3.9
Land Use		Lending interest rate (%), 2000 1/	26.8
Arable land as % of land area, 1998 1/	22.1	Deposit interest rate (%), 2000 1/	17.7
Forest area (km ² thousand), 2000 2/	14		
Forest area as % of total land area, 2000 2/	28.4		
Irrigated land as % of cropland, 1998 1/	16.7		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database

2/ World Bank, *World Development Indicators*, 2001

3/ United Nations Development Programme (UNDP), *Human Development Report*, 2000

PREVIOUS IFAD FINANCING

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Currency	Approved Loan/ Grant Amount	Disbursement (as % of approved amount)
Consolidation and Development of Rural Settlement Project	IDB	IDB	I	19 Dec 79	21 Apr 80	31 Dec 88	L - I - 28 - DO	SDR	9 300 000	85.12%
Small Scale Food Producers Development Project	IFAD	World Bank: IBRD	I	31 Mar 82	04 Mar 83	30 Jun 89	L - I - 98 - DO	SDR	9 000 000	69.26%
South Western Region Small Farmers Project	IFAD	UNOPS	I	03 Dec 87	20 Apr 90	31 Dec 97	L - I - 216 - DO	SDR	6 100 000	89.99%
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	G - I - 12 - DO	USD	100 000	73.41%
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	G - I - 576 - DO	USD	22 000	
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	L - I - 345 - DO	SDR	4 250 000	99.27%
South Western Region Small Farmers Project-Phase II	IFAD	IFAD	I	03 Dec 98	05 Apr 00	31 Dec 05	L - I - 495 - DO	SDR	8 750 000	25.24%



BENEFICIARIES AND STRATEGY APPROACH

Table 1: Potential Direct Beneficiaries of the Programme

	Small Farmers ¹		Micro-entrepreneurs		Rural Youth and Children		Rural Dwellers and Landless Farmers				
							Dominicans		Dominicans of Haitian Origin ²		
	Men	Women	Men	Women	Male	Female	Men	Women	Men	Women	Children and Youth
Farm development	7 500	2 500									
Microenterprise development			800	1 200							
Labour skills training					800	1 200	600	1 500	800	800	400
Legal support									1560	1 560	2 080
Literacy programme			600	300	300	200	600	340	300	500	400
Education programme					600	1 000					3 560
Housing									1200	1 800	
TOTAL³	7 500	2 500	1 400	1 500	1 700	2 400	1 200	1 840	3860	4 660	6 440

¹ Includes about 800 artisanal fishermen-cum-small farmers who receive technical assistance and productive investments for both activities.

² Distributed throughout the programme area and living in *bateys* and other rural settlements.

³ Social infrastructure would benefit all groups (total 35 000 persons).

Table 2: Programme Design Matrix

Strategic Framework for IFAD 2002-2006			
	<i>Strengthening the capacity of the rural poor and their organizations</i>	<i>Improving equitable access to productive natural resources and technology</i>	<i>Increasing access to financial assets and markets</i>
P R O P O S I O N D	<ul style="list-style-type: none"> • Legal services in support of citizens rights • Education and literacy support programmes • Leadership training • Strengthening grass-roots organizations • Gender equity • Training and strengthening of grass-roots organizations • Strengthening economic organizations of rural poor 	<ul style="list-style-type: none"> • Analysis of regional economic opportunities • Gender equity • Demand-led productive support services for agricultural and rural microenterprise development • Environmental management and conservation technologies and resources • Labour skills training 	<ul style="list-style-type: none"> • Market analysis of productive opportunities • Market support services • Social and productive investment funds • Gender equity • Access to ongoing local rural financial services supported by PROPESUR

KEY FILE

LOGICAL FRAMEWORK

NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
<p>Development Goal</p> <ul style="list-style-type: none"> Contribute to improving the quality of life through an inclusive, comprehensive and environmentally-sustainable rural socio-economic development process, which will significantly reduce the poverty, inequality, exclusion and discrimination affecting poor rural populations of the Border Provinces. 	<ul style="list-style-type: none"> Number and percentage of households in the Border Provinces whose living conditions and access to basic services have improved, by sex of the head of household and by programme area. Number and percentage of men and women in the Border Provinces that have risen above the poverty line, by programme area, compared with those at the time of the baseline study 	<ul style="list-style-type: none"> Post-programme evaluation. National survey of incomes and expenditures in households 	
<p>Project Specific Objectives</p> <ul style="list-style-type: none"> 35 000 rural poor in the Border Provinces and <i>bateys</i> are organized and empowered to participate in the development process in order to improve their socio-economic conditions in an effective and sustainable manner. ONAPLAN and Government programmes have strengthened their institutional capacity for intervention in the decentralized development process through generating specific policies and dialogue opportunities with civil-society and grass-roots organizations 	<ul style="list-style-type: none"> 35 000 beneficiaries strengthen their capacity for management of the rural development process through their organizations. 25 productive organizations of beneficiaries reinforce their institutional and operative capacity for the communal and economic development process. 5 local organizations and co-executors reinforce their institutional capacities for the rural development 200 technicians from both co-executors and municipalities strengthen their rural development capacities (30% women) Local institutional framework established and working through appropriate mechanisms 	<ul style="list-style-type: none"> Baseline study Participatory diagnosis Annual evaluation reports Periodic reports Evaluation reports: mid-term and final. Case study 	<ul style="list-style-type: none"> The Government's priorities and policies concerning poverty alleviation and decentralization are in line with programme objectives. Programme beneficiaries increase participation in local organizations. The country's climatic conditions are normal and the macroeconomic situation remains stable. The different public-sector actors have positive perception of their participation and the results obtained and therefore continue to participate.





NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
OUTPUTS			
Human and Social Capital Development			
<p>Output 1: Legal assistance and civil registration</p> <ul style="list-style-type: none"> • Dominicans of Haitian origin regularize their legal status 	<ul style="list-style-type: none"> • Every year, 860 Dominicans of Haitian origin and rural poor are able to register their birth certificates (retroactive and current), obtain identity cards and be recognized as Dominican nationals • Access of children to provincial and national-level public education improves 	<ul style="list-style-type: none"> • Certificates of birth and school registration • Identity cards 	<ul style="list-style-type: none"> • State institutions support action in favour of civil registration of populations in the Border Provinces
<p>Output 2: Education and health</p> <ul style="list-style-type: none"> • Beneficiaries have access to education 	<ul style="list-style-type: none"> • At least 3 500 young men and women participate in the literacy programme • 3 380 children and youths receive scholarships to attend primary and high schools 	<ul style="list-style-type: none"> • Periodic reports and evaluation reports: mid-term and final • Component records 	<ul style="list-style-type: none"> • Coordination with state institutions in the sector is favourable to project execution
<p>Output 3: Gender approach</p> <ul style="list-style-type: none"> • Disadvantaged groups such as women are encouraged to become actively involved in the socio-economic development of the Border Provinces 	<ul style="list-style-type: none"> • Awards for three successful productive commercial enterprises established by women • At least 7 350 women are integrated into the economy and other profitable productive activities • A reproductive health programme is set up • Variation in the number and percentage of local organizations that have gender equity, by type of organization and programme area 	<ul style="list-style-type: none"> • Periodic reports • Evaluation reports: mid-term and final • Studies/reports • Ongoing survey of local organizations with gender approach 	<ul style="list-style-type: none"> • Government and the PMU policies support programme's gender approach



NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Sustainable Income Generation			
<p>Output 4: Agricultural production, marketing and microenterprise support services</p> <ul style="list-style-type: none"> Producers and microenterprises improve their technical and commercial management capacity, transforming their subsistence-level activities into income-generating concerns 	<ul style="list-style-type: none"> The Economic Development Plan for the Border Provinces supports focus and investments in the region 10 000 agricultural producers supported by technical services 2 000 poor microentrepreneurs benefited from programme support (1 000 new beneficiaries) 175 microenterprises and 90 commercial organizations supported by the programme At least 5 400 producers' families benefited from agricultural marketing support Number of commercial agreements established between international organizations of 'fair commerce' and organizations in the Border Provinces 	<ul style="list-style-type: none"> Economic Development Plan for the Border Provinces Periodic reports Evaluation reports: mid-term and final Component records 	<ul style="list-style-type: none"> Agreements reached with strategic partners Sources of credit available
<p>Output 5: Provision of services</p> <ul style="list-style-type: none"> Service providers strengthen their institutional and operative capacity 	<ul style="list-style-type: none"> At least nine NGOs strengthen their capacity for the provision of rural development services At least 160 technicians from other local institutions improve their rural knowledge and develop managerial capabilities 	<ul style="list-style-type: none"> Periodic reports Evaluation reports: mid-term and final 	<ul style="list-style-type: none"> Providers participate in training activities as planned
<p>Output 6: Productive infrastructure</p> <ul style="list-style-type: none"> Groups of agricultural producers and microenterprises capitalize themselves with productive infrastructure 	<ul style="list-style-type: none"> Five micro-irrigation initiatives for 1 500 beneficiaries of 175 groups 80 marketing activities for 4 000 beneficiaries 175 activities in support of microenterprises for 3 500 beneficiaries Number of new rural roads constructed, by kilometre and location Maintenance of secondary roads, by kilometre and location USD 0.55 million invested in environmental conservation initiatives. 	<ul style="list-style-type: none"> Technical projects and studies Periodic reports Component records Contracts signed by contractors Progress and evaluation reports Videos, photographs, articles in newspapers 	<ul style="list-style-type: none"> Macroeconomic conditions are stable Demand for local products is good



NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Sustainable Income Generation (cont' d.)			
<p>Output 7: Labour skills training for young rural people</p> <ul style="list-style-type: none"> Young men and women in the border areas improve their labour capacity and income-generating opportunities 	<ul style="list-style-type: none"> At least 6 000 young men and women benefit from training activities in at least six specializations: agricultural mechanics, carpentry, hotel management, motorcycle repairs and stonework Number and percentage of young men and women trained, by access to the labour market Number and percentage of young men and women trained, by microenterprises created 	<ul style="list-style-type: none"> Service provider reports Evaluation reports 	<ul style="list-style-type: none"> Training meets needs of young people
Social Infrastructure			
<p>Output 8: Housing construction</p> <ul style="list-style-type: none"> Border Provinces families have access to appropriate minimum housing by means of a programme for construction, reconstruction and provision of basic services 	<ul style="list-style-type: none"> Four housing centres built: two in the <i>bateys</i> area and two in poor rural communities (600 new houses and 400 repaired) 1 000 poor rural families (600 in the <i>bateys</i>) benefit from the housing programme 	<ul style="list-style-type: none"> Technical studies Periodic reports Component records Contracts with private contractors or public utilities companies Evaluation reports 	<ul style="list-style-type: none"> CEA grants land for implementation of housing plan Communities agree to move and to contribute work for building and maintenance of social infrastructure Contractors interested
<p>Output 9: Basic services infrastructure</p> <ul style="list-style-type: none"> Rural and <i>batey</i> populations have improved their access to basic services (education, health, water, etc.) 	<ul style="list-style-type: none"> 11 primary schools built or repaired 15 sanitary posts built or repaired 11 aqueducts built or repaired 60 day-care centres built or repaired 	<ul style="list-style-type: none"> Technical studies Periodic reports Component records Contracts with private building contractors or public utilities companies Evaluation reports 	<ul style="list-style-type: none"> Communities participate in organized manner Need for day-care centres is expressed Contractors interested



NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Policy Dialogue and Institutional Strengthening			
<p>Output 10: Institutional strengthening</p> <ul style="list-style-type: none"> ONAPLAN improves its intervention policy and institutional capacity for rural development process 	<ul style="list-style-type: none"> 50 ONAPLAN technicians improve their capacity for rural development Number and type of consultancies carried out for strengthening of ONAPLAN A public area is established for coordination of regional development in the Border Provinces 	<ul style="list-style-type: none"> Periodic reports Evaluation reports 	<ul style="list-style-type: none"> Coordination between ONAPLAN, other interventions, and the programme is effective
<p>Output 11: Policy dialogue and communication</p> <ul style="list-style-type: none"> Policy dialogue and decision-making processes on development of the Border Provinces improved Development of a strong communications strategy by the Communications Unit 	<ul style="list-style-type: none"> Five national seminars and five at local level held on rural poverty, regional development and decentralization. 10 scholarships awarded to young men and women researchers from the Border Provinces – selected on the basis of academic qualifications Number and type of research studies carried out in support of policies and strategies Number and type of materials disseminated, by subject and type of activity Number of fairs held, by location Number of people checking the Web page Number of meetings held for communicators, by location and number of participants 	<ul style="list-style-type: none"> Periodic evaluation reports Publications Reports from FLACSO Brochures, pamphlets, etc. Reports from Communications Unit Web page 	<ul style="list-style-type: none"> Organizations and representatives of population participate actively in seminars Population reflects on and admits to the treatment of the subject The programme and Government entities favour the policy dialogue
<p>Output 12: Discrimination and exclusion</p> <ul style="list-style-type: none"> Action aimed at minimizing conflicts in the Border Provinces 	<ul style="list-style-type: none"> Number and type of actions carried out (meetings with grass-roots organizations, workshops held, cultural centre established), by location and number of participants Greater awareness among citizens of rights and historical and cultural identity. Favourable changes in Government policies/decisions and in population's attitudes. Strengthened feeling of identity and poor rural people's determination to reduce poverty 	<ul style="list-style-type: none"> Reports and studies Evaluation reports: mid-term and final 	<ul style="list-style-type: none"> Through political dialogue, Government and programme advocate the integration of Dominicans of Haitian origin.

Programme Activities

1. HUMAN AND SOCIAL CAPITAL DEVELOPMENT	2. SUSTAINABLE INCOME GENERATION	3. SOCIAL INFRASTRUCTURE
<p>Legal support and registration</p> <ul style="list-style-type: none"> • Rights and citizenship • Information, diffusion and citizenship • Census of <i>bateys</i> • Monitoring system on discrimination and human rights <p>Education and scholarships</p> <ul style="list-style-type: none"> • Scholarships for children and young people • Youth literacy programme <p>Training</p> <ul style="list-style-type: none"> • Grass-roots organizations • Municipal authorities and staff • Technicians of PMU, APAs and others 	<p>Production, rural microenterprises and marketing</p> <ul style="list-style-type: none"> • Economic Development Plan for the Border Provinces • Technical services strengthened <ul style="list-style-type: none"> • Institutional strengthening of PMU • Equipment at technological centres • Production support services <ul style="list-style-type: none"> • Organization and training • Technical assistance • Labour skills training <ul style="list-style-type: none"> • Training for youth and women in: agricultural mechanics, carpentry, hotel management, motorcycle repairs, stonework, etc. • Financing of productive investments 	<p>Social infrastructure</p> <ul style="list-style-type: none"> • Housing • Area diagnosis for housing • Development plan for housing, roads and other infrastructure • Land titling – housing • Technical studies on urbanization and construction • Community organization • Training in construction techniques • Building and reconstruction of houses • Construction of nurseries
4. POLICY DIALOGUE AND INSTITUTIONAL STRENGTHENING	5. GENDER (CROSS-CUTTING)	6. MONITORING AND EVALUATION UNIT (MEU)
<p>Institutional strengthening</p> <ul style="list-style-type: none"> • ONAPLAN/project coordination <ul style="list-style-type: none"> • Geographical focus on investments • Decentralization support • Strengthened poverty reduction and rural development activities • ONAPLAN capacity and tools <p>Conflict reduction</p> <ul style="list-style-type: none"> • Strengthening of sense of identity and empowerment of target group <ul style="list-style-type: none"> • Annual meetings with poor rural people's grass-roots organizations on conflict resolution • Training of peasant leaders • Regular seminars for development of Border Provinces • Social research in the border area and scholarships • Organization of annual national fora on poverty reduction, regional development and decentralization • Organization of annual local and provincial fora • Communication <ul style="list-style-type: none"> • Project activities and dissemination of results • Promotion and strengthening of regional communications network • Training for communication promoters • Dissemination material: audiovisual, posters, pamphlets, etc. • Artisanal and cultural fairs • Cultural centre • Web page • Workshops <p>Policy dialogue</p> <ul style="list-style-type: none"> • Establishment of support mechanisms for: right to nationality, migration and labour policy, land tenancy, <i>bateys</i> municipalization and equal access to social services. <p>Diversity and human rights</p> <ul style="list-style-type: none"> • Support to <i>respect</i> for diversity, human rights, decision-making and knowledge dialogue. 	<p>Gender equity</p> <ul style="list-style-type: none"> • Gender equity in PMU <ul style="list-style-type: none"> • Support for selection of personnel • Sensitivity for gender issues in PMU • Consultancies, studies and gender issues • Coordination with gender activities of PROPEUR • Gender equity in APAs and municipalities <ul style="list-style-type: none"> • Sensitivity for gender issues • Gender training • Gender equity among beneficiaries <ul style="list-style-type: none"> • Women-in-development • Child care • Reproductive health programme. • Sensitivity for gender issues among male agricultural producers • Training in women's leadership 	<ul style="list-style-type: none"> • Design and establishment of M&E system <ul style="list-style-type: none"> • Design of system • Adjustment of PROPEUR's computerized monitoring system • Training in M&E • Coordination with Gender Strategy Unit • Participatory monitoring <ul style="list-style-type: none"> • Beneficiaries • M&E Unit • Evaluations <ul style="list-style-type: none"> • Base study • Mid-term evaluation • Final evaluation • Studies • Annual meeting • Workshops • Classification



Table 1: Rural Poverty and Agricultural Sector Issues

Priority Area	Major Issues	Actions Needed	Remarks
Rural population settled in the Border Provinces with Haiti; rural women and children	<ul style="list-style-type: none"> • High incidence of poverty among rural population, particularly women and children • Limited economic opportunities and low incomes due to poor crop productivity and livestock farming and lack of off-farm employment opportunities • Lack of access to social infrastructure • Limited access to low-quality rural extension and productive support services • Poor levels of nutrition and education in children • High levels of illiteracy. • Low income caused by gender exclusion and discrimination and by very limited local economic opportunities • Deplorable housing conditions • Limited access to education and health services 	<ul style="list-style-type: none"> • High priority targeting by Government's poverty reduction programmes • High priority targeting by Government's border development programme • Introduction of better income opportunities • Introduction of crop diversification • Labour skills training programmes • Provision of demand-driven participatory agricultural and non-agricultural productive services and productive investment fund • Provision of productive technologies for natural resources conservation-oriented • Access to Government's child education and nutrition programmes • Improved housing and sanitation services • Introduction of better income opportunities • Adult education and labour skills training programmes • Provision of family planning and reproductive health programmes 	<ul style="list-style-type: none"> • High priority in Government's current social agenda and poverty reduction programmes
Dominicans of Haitian origin settled in bateys and in rural communities of the border provinces; rural women and children	<ul style="list-style-type: none"> • High incidence of exclusion, discrimination and poverty, particularly among rural women and children • Exclusion and discrimination in providing birth certificates and identification documents • Limited local economic opportunities • Lack of access to social infrastructure • Low income caused by exclusion, discrimination and very limited economic opportunities at the local level • Deplorable housing conditions • Limited access to education and health services • High incidence of illiteracy. 	<ul style="list-style-type: none"> • High priority targeting by Government's poverty reduction programmes • Elimination of discriminatory legal framework and practices • Legal support for extending birth certificates and identification documents to Dominicans of Haitian origin • Improved housing and sanitation services • Improved access to education and health services • Introduction of better income opportunities • Adult education and labour skills training programmes • Provision of demand-driven participatory agricultural and non-agricultural productive services and productive investment fund. • Provision of family planning and reproductive health programmes • Access to Government's child education and nutrition programmes 	<ul style="list-style-type: none"> • For the first time in history, the current government has expressed willingness to solve the social and economic problems of Dominicans of Haitian origin and agreed to an IFAD programme targeted at this social group.
Government poverty reduction and decentralization framework	<ul style="list-style-type: none"> • Lack of efficient targeting mechanisms • Duplication and atomization of efforts by current institutional programmes • Slow institutional delivery system • Incomplete decentralization laws and regulations 	<ul style="list-style-type: none"> • Technical and conceptual support to improve targeting • Improved coordination of institutional mechanisms • Creation of a participatory national fora to discuss poverty reduction and decentralization policies and instruments • Application of a modified Decentralization Law 	<ul style="list-style-type: none"> • Government requests IFAD support



Table 2: Target Group Priority Needs and Project Proposals

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Project Response
Men and women rural workers (Dominicans and Haitian origin)	<ul style="list-style-type: none"> Lack of proper identification documents High levels of exclusion and discrimination Limited income-generating opportunities Lack of productive and labour skills Lack of access to basic services and social infrastructure 	<ul style="list-style-type: none"> Low profile in dealing with police authorities Access to 'black' (poorly paid) urban and rural labour markets 	<ul style="list-style-type: none"> Issuance of identification documents Improved self-esteem Productive and labour skills training Adequate housing and basic rural services Productive investment resources for non-agricultural production Strengthened social-productive organizations Non-agricultural support services Women's empowerment and equitable participation in social and economic organizations 	<ul style="list-style-type: none"> Legal services to support identification processes Self-awareness workshops Training actions targeted to <i>batey</i> dwellers Social investment funds Interest groups' non-refundable productive capitalization funds Organizational training Pro-active policy for rural women's participation in project and community decision-making structures Domestic time-saving investments Social and community infrastructure.
Men and women Small poor farmers and artisanal fishermen	<ul style="list-style-type: none"> Limited income-generating opportunities Lack of productive and labour skills Lack of productive support services and capitalization resources Lack of access to basic services and social infrastructure 	<ul style="list-style-type: none"> Combination of subsistence farming with off-farm employment 	<ul style="list-style-type: none"> Productive and labour skills training Access to technical and financial resources for agricultural and non-agricultural production Demand-driven technical support services Economically oriented organizations Women's empowerment and equitable participation in social/economic organizations Irrigation infrastructure Adequate housing and basic rural services 	<ul style="list-style-type: none"> Training action targeted to small poor farmers Non-refundable productive capitalization funds Social investment funds Small irrigation works Provision of demand-driven gender-oriented technical and market support services Organizational training Pro-active policy for rural women's participation in project and community decision making structures Domestic time-saving investments. Social and community infrastructure
Men and women Landless farmers, microentrepreneurs and rural dwellers (Dominicans and Haitian origin)	<ul style="list-style-type: none"> Limited income-generating opportunities Lack of access to land Lack of productive and labour skills Lack of productive support services and capitalization resources Lack of access to basic services and social infrastructure 	<ul style="list-style-type: none"> Access to urban and rural labour markets Subsistence rural microenterprises 	<ul style="list-style-type: none"> Productive and labour skills training Access to government agrarian reform land markets and land rental markets Technical and financial resources for agricultural and non-agricultural production Better linkages to market opportunities Women's empowerment and equitable participation in social/economic organizations Adequate housing and basic rural services 	<ul style="list-style-type: none"> Training actions targeted to landless farmers and rural dwellers Social investment funds Non-refundable productive capitalization funds Provision of demand-driven gender-oriented technical and market support services Pro-active policy for rural women participation in project and community decision-making structures Domestic time-saving investments. Social and community infrastructure
Rural children and youth (Dominicans and Haitian origin)	<ul style="list-style-type: none"> Lack of access to basic services and social infrastructure 		<ul style="list-style-type: none"> Issuance of birth certificates Access to primary and secondary education Access to health services Nutritional support Labour skills training Adequate housing and basic rural services 	<ul style="list-style-type: none"> Legal services to support issuance of birth certificate process Agreements with Secretariat of Education Improvement of basic education, health and nutrition programmes for communities and <i>bateys</i> Social and community infrastructure



Table 3: Institutional Capabilities Matrix

Institution	Strengths	Weaknesses	Opportunities/Threats	Remarks
ONAPLAN	<ul style="list-style-type: none"> National responsibility for country's decentralization and social and economic development programmes Responsible for current border area development and investment activities Responsible for the preparation of the national budget Responsible for preparation and up-dating of the national poverty map Adequate participatory methodologies and financial resources 	<ul style="list-style-type: none"> Lacks adequate targeting and delivery mechanisms Lacks monitoring and impact evaluation methodologies Limited activities in income generation for the rural poor Requires support for the process of decentralization of government actions 	<ul style="list-style-type: none"> Implementing institution for IFAD-financed PROPESUR Provides a very adequate vehicle for IFAD's current and future interventions 	<ul style="list-style-type: none"> ONAPLAN is the main government interlocutor for IFAD policy dialogue on decentralization, poverty reduction and rural development
Secretariat of Agriculture (SA)	<ul style="list-style-type: none"> Nationwide field presence 	<ul style="list-style-type: none"> Top-down approach in extension services Very limited budgetary resources and operational capabilities 	<ul style="list-style-type: none"> Reorganization of SA's agricultural outreach is required 	<ul style="list-style-type: none"> Past IFAD operations experienced difficulty in their operations with SA
Sugar State Corporation (CEA)	<ul style="list-style-type: none"> Has ownership of land and responsibility for the improvement and maintenance of <i>bateys</i> 	<ul style="list-style-type: none"> CEA is in the process of closing, operating on an interim basis Lacks resources for <i>bateys</i> maintenance and improvement 	<ul style="list-style-type: none"> CEA land transfer programmes could benefit <i>bateys</i> and rural communities 	<ul style="list-style-type: none"> Strategic alliances with ONAPLAN and IFAD operations could serve to improve its <i>batey</i> improvement and land transfer programmes
National Institute for Water Resources (INDRHI)	<ul style="list-style-type: none"> Adequate level of expertise in irrigation and drainage works 	<ul style="list-style-type: none"> Top-down approach for small irrigation and drainage works Lacks participatory methodologies 	<ul style="list-style-type: none"> Could cooperate with selected small irrigation and drainage projects 	<ul style="list-style-type: none"> Requires participatory planning of field irrigation and drainage works
Civil-society organizations and NGOs	<ul style="list-style-type: none"> Various degrees of fieldwork experience Organized by fields of expertise: human rights; social and economic development; gender; and natural resources - a situation that could improve the efficiency of contracted services 	<ul style="list-style-type: none"> Highly territorial Paternalistic approach to rural development Limited resources Lack of impact evaluation instruments 	<ul style="list-style-type: none"> In view of Government's current policy on the privatization of rural services, NGOs will be regularly involved in the provision of rural social, economic, gender and natural resources management services 	<ul style="list-style-type: none"> The ongoing IFAD-financed PROPESUR has acquired valuable experience in contracting, training and evaluating NGO field operational capabilities





Table 4: Stakeholder Matrix/Project Actors and Roles

Component	Actions	Coverage	Perennial Institution(s) Involved	Potential Contractors/ Periodic Inputs	Other Possible Partners in Execution
Human and Social Capital Development	<ul style="list-style-type: none"> • Legal services to support issuance of birth certificates and identification documents • Education, scholarships and nutritional programmes • Community participatory diagnosis and identification of social and productive demands • (Training of base organizations and leadership identification and training) • Training of municipal staff 	<ul style="list-style-type: none"> • Project area • <i>Bateys</i> and rural communities • Direct beneficiaries 	<ul style="list-style-type: none"> • PMU • ONAPLAN • Municipalities • Secretariats of Education and Health 	<ul style="list-style-type: none"> • Local NGOs • National NGOs • Universities • Private social research/studies centres • National peasant and women's organizations 	
Sustainable Income Generation	<ul style="list-style-type: none"> • Economic Development Plan for Border Provinces • Agricultural and non-agricultural demand-driven field support services • Productive infrastructure • Labour skills training • Environmental conservation works • Rural roads – opening and repair 	<ul style="list-style-type: none"> • Project area • <i>Bateys</i> and rural communities • Direct and indirect beneficiaries 	<ul style="list-style-type: none"> • PMU • ONAPLAN • INFOTEP 	<ul style="list-style-type: none"> • National NGO • Universities • Private economic research/studies centres • National peasant and women's organizations 	<ul style="list-style-type: none"> • PROMER • SETEDER • CEDOPEX • PROMIPIME
Social Infrastructure	<ul style="list-style-type: none"> • Housing construction and repair • Water and electricity services • Latrines • School and health infrastructure 	<ul style="list-style-type: none"> • <i>Bateys</i> and rural communities • Direct and indirect beneficiaries 	<ul style="list-style-type: none"> • PMU • ONAPLAN • INVI and municipalities • Secretariat of Public Works 	<ul style="list-style-type: none"> • Local base organizations • Local NGO 	<ul style="list-style-type: none"> • National NGOs • CEA • PROCOMUNIDAD
Policy Dialogue and Institutional Strengthening	<ul style="list-style-type: none"> • Permanent national and local workshops • Decentralization and poverty reduction policy dialogue • Institution-building consultants • Communications and reduction of conflicts 	<ul style="list-style-type: none"> • Project area • Santo Domingo • Government officials • NGOs and civil-society organizations 	<ul style="list-style-type: none"> • PMU • ONAPLAN • FLACSO • Other governmental secretariats and institutions 	<ul style="list-style-type: none"> • Universities • Private research/studies centres • Consultants 	
PMU	<ul style="list-style-type: none"> • Operations • Planning, M&E • Gender policies and strategies 	<ul style="list-style-type: none"> • Project area • Direct and indirect beneficiaries 	<ul style="list-style-type: none"> • PMU • ONAPLAN 	<ul style="list-style-type: none"> • Universities • Research/studies centres • Accountants and lawyers 	<ul style="list-style-type: none"> • Consultants • PREVAL • PROGENDERO

CEA: State Sugar Cane Council; FLACSO: Latin American Faculty of Social Sciences; PROMER: Regional Technical Programme to Support the Development of Rural Microenterprises in Latin America and the Caribbean; SETEDER: Programme for Improving Technical Capacity of Local Organizations to Support Rural Investment Projects in Central America, Mexico and Panama; CEDOPEX: Dominican Centre for Export Promotion; PROMIPYME: Small and Micro Enterprise Support Programme; PREVAL: Programme for Strengthening the Regional Capacity for Evaluation of Rural Poverty Alleviation Projects in Latin America and the Caribbean

Table 5A: Expenditure by Component (USD '000)

Categories	Human and Social Resources		Sustainable Income Development			Social Infrastructure	Policy dialogue Institutional Strengthening		Programme Executing Unit			Total	Physical Contingencies		
	Identificat. & Education	Strengthening Local Grass-Root Organizations	Technical Support Services	Productive Infrastruct Funds	Labour Skills Training		Permanent Seminar & Institutional Strengt.	Conflict Reduction & Social Communic.	PMU	M&E	Gender			%	Amount
I. INVESTMENT COSTS															
A. Vehicles and Equipment															
1. Vehicles	-	21	21	-	-	21	-	-	84	21	21	188	-	-	
2. Equipment	-	8	8	-	-	8	-	15	79	10	8	135	-	-	
Subtotal Vehicles and Equipment	-	29	29	-	-	29	-	15	163	31	28	323	-	-	
B. Contracts and institutional agreements															
1. Contracts with suppliers of technical services	342	1 942	2 583	-	-	-	-	-	-	-	-	4 867	-	-	
2. Contracts for technical assistance, studies, consultancies and audits	25	278	262	-	-	-	1 545	120	166	295	404	3 095	3.2	99	
3. Institutional Agreements for technical services	1 478	-	-	-	643	-	-	-	-	-	144	2 265	1.2	28	
Subtotal Contracts and Institutional Agreements	1 845	2 220	2 845	-	643	-	1 545	120	166	295	548	10 227	1.2	127	
C. Infrastructure Fund															
1. Housing	-	-	-	-	-	3 400	-	-	-	-	-	3 400	-	-	
2. Social Infrastructure	-	-	-	-	-	1 600	-	-	-	-	-	1 600	-	-	
3. Productive Infrastructure	-	-	-	1 750	-	-	-	-	-	-	-	1 750	-	-	
4. Rural roads	-	-	-	1 330	-	-	-	-	-	-	-	1 330	-	-	
5. Environment	-	-	-	550	-	-	-	-	-	-	-	550	-	-	
6. Gender	-	-	-	595	-	-	-	-	-	-	-	595	-	-	
Subtotal Infrastructure Fund	-	-	-	4 225	-	5 000	-	-	-	-	-	9 225	-	-	
Total Investment Costs	1 845	2 249	2 874	4 225	643	5 029	1 545	135	329	326	576	19 776	0.6	127	
II. RECURRENT COSTS															
A. Operation costs															
1. Salaries	-	234	234	-	-	198	137	98	1 255	234	137	2 525	-	-	
2. Inputs and services	-	40	166	-	-	35	0	21	347	45	75	731	8.0	58	
TOTAL RECURRENT COSTS	-	274	400	-	-	234	137	119	1 601	279	211	3 256	1.8	58	
TOTAL BASELINE COSTS	1 845	2 523	3 275	4 225	643	5 262	1 682	254	1 930	606	787	23 032	0.8	185	
Physical contingencies	-	3	33	-	28	3	27	9	31	4	47	185	-	-	
Price contingencies	109	121	232	-	25	14	90	14	101	30	49	783	1.3	10	
TOTAL PROJECT COSTS	1 954	2 647	3 539	4 225	696	5 279	1 798	276	2 061	640	884	24 000	0.8	196	
Taxes	-	39	57	-	39	31	23	18	154	40	33	434	2.2	9	
Foreign exchange	293	386	542	963	272	865	248	36	250	87	183	4 124	0.9	37	

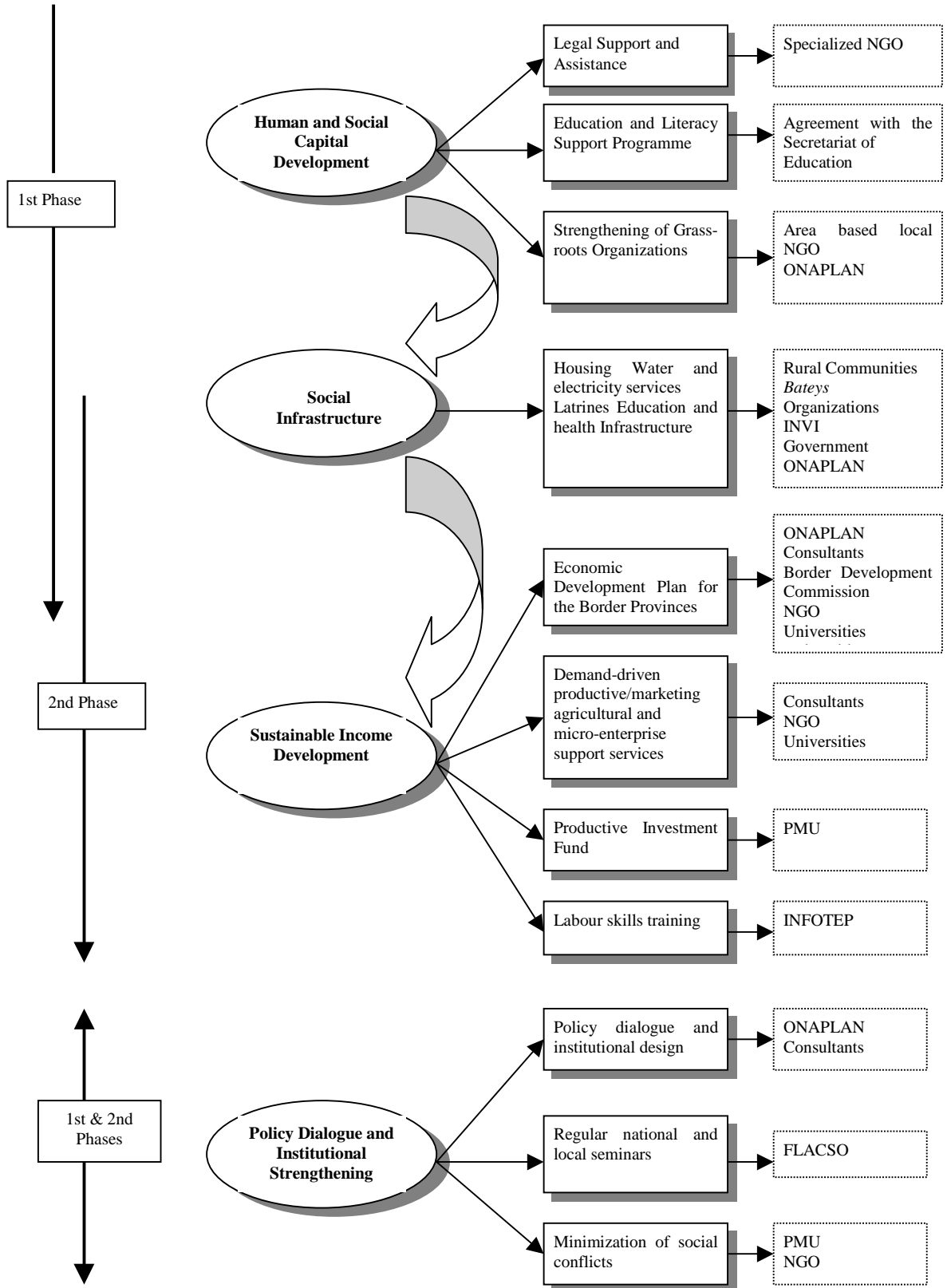


Table 5B: Expenditure by Financiers (USD '000)

	IFAD		OPEC		Beneficiaries		Government		Total		For. Exch.	(Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
I. INVESTMENT COSTS													
A. Vehicles and Equipment													
1. Vehicles	-	-	191	100	-	-	-	-	191	1	162	29	-
2. Equipment	-	-	117	85	-	-	21	15	137	1	117	4	16
Subtotal Vehicles and Equipment	-	-	308	94	-	-	21	6	328	1	279	33	16
B. Contracts and Institutional Agreements													
1. Contracts with suppliers of technical services	5 172	100	-	-	-	-	0	-	5 172	22	776	4 396	-
2. Contracts for technical assistance, studies, consultancies and audits	3 325	100	-	-	-	-	33	0	3 359	14	504	2 851	3
3. Institutional agreements for technical services	2 377	99	-	-	-	-	39	1	2 416	10	568	1 809	39
Subtotal Contracts and Institutional Agreements	10 874	99	-	-	-	-	72	1	10 946	46	1 847	9 057	42
C. Infrastructure Fund													
1. Housing	-	-	2 364	70	170	5	866	26	3 400	14	510	2 890	-
2. Social infrastructure	-	-	1 112	70	160	10	328	21	1 600	7	320	1 280	-
3. Productive infrastructure	-	-	1 216	70	350	20	184	11	1 750	7	525	1 225	-
4. Rural roads	925	70	-	-	202	15	204	15	1 330	6	266	1 064	-
5. Environment	382	70	-	-	57	10	111	20	550	2	83	468	-
6. Gender	414	70	-	-	62	10	120	20	595	3	89	506	-
Subtotal Infrastructure Fund	1 721	70	4 692	70	1 000	11	1 812	20	9 225	38	1 793	7 432	-
Total Investment Costs	12 625	61	5 000	24	1 000	5	1 904	9	20 499	85	3 919	16 521	59
II. RECURRENT COSTS													
A. Operation Costs													
1. Salaries	1 070	40	-	-	-	-	1 596	60	2 666	11	-	2 370	295
2. Inputs and services	335	40	-	-	-	-	500	60	835	4	206	550	80
Total Recurrent Costs	1 405	40	-	-	-	-	2 096	60	3 501	15	206	2 920	375
Total Disbursement	14 000	58	5 000	21	1 000	4	4 000	17	24 000	100	4 124	19 441	434



PHASING OF COMPONENTS AND INSTITUTIONAL RESPONSIBILITIES





PROGRAMME ORGANIZATION AND MANAGEMENT

