

Data Sheet

USAID Mission:	Dominican Republic
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	517-008
Proposed FY 2004 Obligation:	\$7,618,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$5,584,000 DA
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2007

Summary: The USAID program to increase economic opportunities will: 1) improve conditions for a more competitive economy; 2) strengthen environmental protection policies; and 3) improve basic education through community and private sector participation. USAID will fund technical assistance and grant support to initiate reforms of key economic policies, especially those that affect economic opportunities for poor Dominicans, and improve the country's ability to compete in global markets. USAID will strengthen and support public-private partnerships in sectors such as tourism and agriculture (exotic fruit and vegetable production and specialty coffee) to improve the Dominican Republic's international competitiveness. Technical assistance will help improve trade policy formulation, prepare for new trade agreements, and implement existing trade obligations. USAID will grant funds to support rural electrification that will provide economic opportunities for thousands of Dominicans. USAID-funded technical assistance will continue key environmental policy reforms that help protect the environment and safeguard natural resource-based economic opportunities. Finally, USAID will support technical assistance to improve the quality of basic education through increased community and private sector participation to enable better-educated children to become productive members of society.

Inputs, Outputs, Activities:

FY 2004 Program:

Competitiveness policies (\$3,900,000 DA). USAID will fund technical assistance to advance reform of key economic policies that affect trade and investment, especially those that spur regional and product-specific competitiveness initiatives, develop niche markets for specialty agricultural exports, encourage small business development, and strengthen trade institutions. Technical assistance for trade capacity building will assist the Dominican Republic in preparing for bilateral and Free Trade Area of the Americas (FTAA) negotiations and implementation. USAID will continue its assistance to promote energy sector reforms to provide sustainable electrical service and improve fiscal management, including increased reliance on the secondary securities market as an instrument for government financing and capital mobilization. In order to provide more stable and affordable electricity to communities, USAID-funded technical assistance will continue to expand and develop new energy partnerships for rural and peri-urban electrification. Principal contractors and grantees are Chemonics, Boston Institute for Developing Economies, and the National Rural Electric Cooperative Association.

Environmental resources preservation and protection (\$1,500,000 DA). USAID-funded technical assistance and training will promote formation of new public-private partnerships to protect the environment through co-management of protected areas and encourage adoption of clean production techniques. Technical assistance and training will also support continued development of environmental norms and standards and strengthen the public institutions charged with environmental management and protection at the national and local levels. Principal contractors and grantees are International Resources Group and the Nature Conservancy.

Private sector and community involvement in basic education (\$1,800,000 DA). USAID will continue to expand the number of private sector organizations working with communities in the adopt-a-school

program, which provides technical assistance to private companies and civil society organizations interested in improving the quality of basic education through school sponsorship and community involvement. An evaluation of USAID-funded "innovation" school sites will judge the impact of activities on the quality of education, evaluate merits and shortcomings, demonstrate concrete procedures for conducting evaluations, and train a small cadre of education evaluation professionals in the Dominican Republic. USAID support to the Global Food for Education Initiative and grants to nongovernmental organizations will help link communities with schools in education improvement efforts. Primary contractors and grantees are State University of New York, Falconbridge Foundation, and the World Bank Institute.

FY 2005 Program:

Competitiveness policies (\$2,979,000 DA). USAID plans to continue its assistance to improve tourism competitiveness, expand markets for niche market agricultural exports (a sector traditionally served by small and medium businesses that employ the Dominican poor), encourage small business development, and strengthen trade institutions. As assistance to prepare the Dominican Republic for docking with the Central America Free Trade Agreement (CAFTA) and FTAA negotiations phases out, USAID plans to focus on assisting public and private sector entities to implement the new agreements. USAID expects to continue technical assistance to improve internal debt management, including increased reliance on secondary markets as a means of government financing and capital mobilization. USAID plans to continue to fund technical assistance to further expand and develop new energy partnerships for rural electrification. Principal contractors and grantees would remain the same.

Environmental resources preservation and protection (\$1,500,000 DA). USAID plans to continue funding technical assistance and training programs to further strengthen environmental institutions and management, develop environmental norms and standards, and strengthen the public institutions charged with environmental management and protection at the national and local levels. Principal contractors and grantees would remain the same.

Private sector and community involvement in basic education (\$1,800,000 DA). USAID plans to continue the adopt-a-school program by expanding the number private sector/community alliances, principally in urban areas. USAID also plans to help develop and implement use of education quality indicators (e.g., changes in enrollment, attendance, and retention) to improve educational management. Principal contractors and grantees would remain the same.

Performance and Results: In FY 2003, USAID established three new collaborative competitiveness initiatives, bringing the total number to nine. Competitiveness initiatives are strategic business alliances in discrete geographic and sectoral areas that lead to more productive investments; for example, three initiatives bring together hotels and local business owners in three of the Dominican Republic's most modern tourist destinations. Also in FY 2003, six public schools were adopted through the school sponsorship program, three partnerships were established for rural electrification projects, and USAID established several municipal environmental units and provided environmental training for local government officials. Municipal environmental units are established in collaboration with the Ministry of the Environment and in accordance with the 2000 Environmental Law to assist municipalities in adopting ordinances that suitably adapt national environmental standards to local needs and problem diagnosis.

Expected end-of-program results include key economic policy reforms that lead to sustainable economic growth, especially in sectors that employ the Dominican poor; a better informed and proactive business community more competitively engaged in the global economy; enhanced national export capability and an increase in trade opportunities; electricity in rural and peri-urban areas that is affordable, reliable and community-managed; more economic opportunities in economically disadvantaged and isolated areas; national parks that are better protected and managed with community participation; national and municipal institutions and officials that are better prepared to formulate and implement environmental policy; students in selected schools who are prepared to compete in a global economy and participate in democratic processes; and increased civil society and community participation in competitiveness, trade, environment and education reform activities. USAID anticipates that these efforts will help sustain economic growth and reduce poverty by the end of the strategy period in 2007.

US Financing in Thousands of Dollars

Dominican Republic

517-008 Economic Growth	DA
Through September 30, 2002	
Obligations	2,373
Expenditures	0
Unliquidated	2,373
Fiscal Year 2003	
Obligations	6,925
Expenditures	3,423
Through September 30, 2003	
Obligations	9,298
Expenditures	3,423
Unliquidated	5,875
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	7,618
Total Planned Fiscal Year 2004	
Obligations	7,618
Proposed Fiscal Year 2005 NOA	
Obligations	5,584
Future Obligations	6,223
Est. Total Cost	28,723