

Data Sheet

USAID Mission:	Dominican Republic
Program Title:	Economic Prosperity and Security
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	517-008
Status:	Continuing
Planned FY 2005 Obligation:	\$4,904,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$6,441,000 DA
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2007

Summary: USAID's program promotes economic prosperity and security, and improves the environment and basic education. USAID assistance will support policy reform in the energy and financial sectors, especially reforms affecting economic opportunities for poor Dominicans. Activities will promote private sector growth by strengthening public-private partnerships in tourism and agriculture, which will improve the Dominican Republic's global competitiveness. USAID will also provide technical assistance to improve trade policies. USAID grants support rural electrification projects providing basic economic infrastructure for poor Dominicans. USAID will continue technical assistance to strengthen environmental institutions and support key environmental policy reforms. These activities will reduce, prevent and mitigate pollution and lead to sustainable management of natural resources. USAID activities will improve the quality of basic education through increased community and private sector participation that will enable better educated citizens to become productive members of society.

Inputs, Outputs, Activities:

FY 2005 Program: Expand and Improve Access to Economic and Social Infrastructure (\$455,000 DA). USAID is providing technical assistance to the electricity sector to implement changes in order to meet the financial targets specified in the current IMF program. USAID will assist the Government to develop alternatives to eliminate up to \$100 million in losses as a result of providing electricity to low income citizens. USAID will work to expand and develop new energy partnerships for rural and peri-urban electrification and energy efficiency. Principal contractors and grantees: Advance Engineering Associates International; National Rural Electric Cooperative Association.

Increase Participation in Global Trade and Investment (\$1,853,000 DA). USAID will help the textile sector adjust to increased competition from Asia arising from elimination of quotas and will assist in the identification and/or expansion of new export industries. Specifically USAID assistance will be devoted to developing niche markets for specialty exports, encouraging small business development and strengthening trade institutions. USAID will continue to assist in the development of new clusters and grow old ones in agribusiness and tourism. This expansion will increase Dominican access to foreign markets and foreign income. Principal contractors are: Chemonics International and Nathan Associates.

Strengthen Financial Sector's Contribution to Economic Growth (\$220,000 DA). USAID will continue its assistance to improve fiscal management, including increased reliance on the secondary securities market as an instrument for government financing and capital mobilization. Principal contractor is: Boston Institute of Development Economics.

Improve Sustainable Management of Natural Resources and Biodiversity (\$792,000 DA). USAID will support the strengthening of public institutions charged with environmental management and protection. Technical assistance and training will promote the formation of new public/private

partnerships to protect the environment. Principal contractor and grantee are: International Resources Group and The Nature Conservancy.

Improve the Quality of Basic Education (\$1,584,000 DA). USAID will continue to fund the expansion of private sector organizations working with communities in the adopt-a-school program. Funds will be used to expand the educational testing program to measure the quality of education, and use this information to support curriculum reform. USAID support to the McGovern-Dole Food for Education Program and grants to NGOs will help link communities with schools in education improvement efforts. Primary contractors and grantees are: State University of New York and the World Bank Institute.

FY 2006 Program: Expand and Improve Access to Economic and Social Infrastructure (\$500,000 DA). Technical assistance will expand and develop new energy partnerships for rural electrification and support the implementation of overall energy sector policies after completion of the stabilization plan.

Increase Participation in Global Trade and Investment (\$2,932,000 DA). USAID will fund technical assistance for trade capacity building to assist the public and private sectors in export promotion. USAID expects to continue assistance to improve tourism competitiveness, expand the agricultural and industrial export markets and encourage small business development.

Strengthen Financial Sector's Contribution to Economic Growth (\$300,000 DA). USAID plans to provide its final phase of technical assistance to improve internal debt management, including increased reliance on the secondary market as a means of government financing, and capital mobilization.

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,500,000 DA). Technical assistance and training will continue to strengthen governmental and nongovernmental institutions charged with environmental management and protection nationwide.

Improve the Quality of Basic Education (\$2,720,000 DA). USAID plans to continue the adopt-a-school program by expanding the number of private sector and community alliances, primarily in urban areas. USAID will also continue to implement the education quality program aimed at improving educational management

Performance and Results: USAID funding of a strategy for eliminating the electric sector's negative cash flow by December 2005 played an important role in successful IMF negotiations. The Government's acceptance of USAID's recommendations for addressing a propane gas subsidy reduced its cost by \$60 million annually. USAID assistance to the Government of the Dominican Republic helped prepare the country for successful negotiation of the CAFTA-DR free trade agreement. All reviews for claims to an expropriation bond issue were completed, adding transparency to the process and resulting in savings of over \$200 million to the Dominican Government. Three new tourism and agriculture clusters were added. Over 800 passengers per month are arriving via the Charlotte-La Romana air connection which USAID assisted in establishing last year. Cruise ship dockings increased 19%. Implementation of the National Rural Electrification Plan continued with five new partnerships. USAID assistance in environment resulted in the development and implementation of regulations for forestry and ground water. Ten municipal environmental ordinances were drafted, four of which have been approved. The Monitoring and Evaluation for Educational Quality activity is providing information on weak performance by elementary students. The results from this program will support curriculum reform, and teacher training. This success will encourage greater allocation of resources to the educational system.

USAID anticipates that these efforts will help sustain economic growth and reduce poverty by the end of the strategy in 2007. Expected results include: economic policy reforms that will lead to sustained economic growth; a more proactive business sector better equipped to compete in a

global market; enhanced national export capability and an increase in trade opportunities; a viable electric sector; affordable electricity for rural and peri-urban areas that is reliable and managed by the community; more economic opportunities in economically disadvantaged and isolated areas; national parks better protected and managed with community participation; national and municipal institutions and officials better prepared to formulate and implement environmental policy; students who are better prepared to compete in a global economy and participate in democratic processes; and increased citizen participation in trade, environment and education reform activities.

US Financing in Thousands of Dollars

Dominican Republic

	DA	ESF
517-008 Economic Prosperity and Security		
Through September 30, 2003		
Obligations	9,298	0
Expenditures	3,423	0
Unliquidated	5,875	0
Fiscal Year 2004		
Obligations	7,618	200
Expenditures	6,119	0
Through September 30, 2004		
Obligations	16,916	200
Expenditures	9,542	0
Unliquidated	7,374	200
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	4,904	0
Total Planned Fiscal Year 2005		
Obligations	4,904	0
Proposed Fiscal Year 2006 NOA		
Obligations	6,441	0
Future Obligations	539	0
Est. Total Cost	28,800	200