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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR THE DOMINICAN REPUBLIC

UNDP assistance requested by the Government of the Dominican Republic for the period 1982-1986

Programme period:
1982-1986

Illustrative IPF for 1982-1986:
\$12 million

INTRODUCTION

1. The third country programme of United Nations Development Programme (UNDP) technical assistance for the Dominican Republic covers the period 1982-1986, which coincides with the third UNDP programming cycle.
2. The preliminary talks between the Government and UNDP about the characteristics of the programme and the time-table for the various stages of this exercise, which was carried out in 1982, began in the first half of 1980. In a

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the third country programme for the Dominican Republic is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for the Dominican Republic and the accompanying notes by the Administrator were issued under the document symbols DP/GC/DOM/R.1 and DP/GC/DOM/R.2 and DP/GC/DOM/R.1/RECOMMENDATION and DP/GC/DOM/R.2/RECOMMENDATION, respectively.

spirit of co-operation, the comments and ideas of UNDP concerning the programme were submitted by the Resident Representative to the Government in March 1981.

3. The Third Investment Plan 1981-1983, an official document which is brought up to date annually for the programming of short-term investments, but which also contains a development strategy for the present Decade, was the basic document used both in the note of the Resident Representative and by the national authorities in the formulation of the third country programme for the Dominican Republic.

4. The Third Plan outlines the principal challenges to be faced by the country in the 1980s in striving for balanced development and gives details of the investments programmed for the purpose of coping with these challenges in all spheres of the national agenda.

5. In the second and third quarters of the year, the International Technical Co-operation Department of the Technical Secretariat carried out an extensive series of consultations with national institutions with a view to building up a complete and interrelated picture of critical areas in which it was believed UNDP action could make an effective contribution.

6. The volume of technical assistance identified greatly exceeded the resources available. That fact led to an additional exercise of identifying alternative sources of financing, both within the United Nations system and from other multilateral and bilateral sources, in order to secure the necessary support for the priority areas identified.

7. In view of the importance which the Government has assigned to the institutional strengthening of the public sector, it was also decided, with a view to achieving more effective and thorough utilization of available external resources:

(a) to give preference to short-term consultants over long-term experts;

(b) to utilize the capabilities of national experts;

(c) to make use of technical co-operation among developing countries vis-à-vis those countries in the region that have shown special interest in sharing their knowledge and experience with the Dominican Republic; and

(d) to use cost-sharing arrangements very selectively, by means of agreements with multilateral or bilateral sources of either financing or non-reimbursable funds or directly through inputs of national funds.

8. The third country programme identifies critical areas of development to which UNDP resources will be channelled in the coming five years and mentions the principal additional sources of technical and financial assistance, whether within the United Nations system and other sources of external co-operation, which will share in and/or supplement UNDP assistance.

9. A flexible and dynamic document was drawn up by reference to specific

development objectives but within a frame of reference that will make it possible to establish continuous programming of projects in accordance with the best options available in each case.

10. The illustrative indicative planning figure (IPF) assigned to the country for the five-year period is \$12 million. Of that sum, 80 per cent, or \$9.6 million, has been programmed.

11. The Dominican Republic's second country programme, which will end in 1981, will incur over-expenditure of approximately \$300,000, which will be deducted from the above-mentioned \$9.6 million. That will give an average annual ceiling figure of \$1,860,000 before adjustments for inflation for each year except 1982, in which the excess of \$300,000 will be deducted.

12. Other United Nations system sources of co-operation for development activities administered in the country by UNDP represent an annual input of approximately \$1 million. The United Nations Fund for Population Activities (UNFPA) will continue to support a family planning programme with external inputs of some \$500,000 per year. The Interim Fund for Science and Technology for Development is financing a project of the Technical Secretariat of the Office of the President covering a survey of the available scientific and technological resources of the country. The Special Industrial Services (SIS), through the United Nations Industrial Development Organization (UNIDO), will support activities, to be funded from the country programme, aimed at increasing and diversifying exports of finished products.

13. Inputs from the regular programmes of the agencies of the United Nations system for development activities which are represented in the country - the Pan American Health Organization (PAHO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Children's Fund (UNICEF) - total approximately \$1.5 million per year. UNDP's involvement in health activities will be co-ordinated with PAHO's programmes which will total approximately \$800,000 annually for the biennium 1982-1983. FAO's technical co-operation programme for 1982 makes provision for two land reform projects which will supplement planned assistance under the country programme. UNICEF will continue to provide advisory services on children, which will necessarily be co-ordinated with an international loan being negotiated for the education sector.

14. Other assistance sources which supplement and complement country programme activities are UNDP's regional and interregional projects. Although the active involvement of the Dominican Republic in these projects has been limited, it has benefited fairly steadily from the fellowship and seminar programmes. At present the country is the headquarters for the regional project on regional training for the control of livestock diseases in emergency situations, with special reference to African swine fever (RLA/78/045). One point to be made is that some regional activities have influenced the qualitative development of country projects, among them training in export promotion (RLA/79/004), regional employment programme for Latin America and the Caribbean (RLA/79/006), Inter-American Centre for Labour Administration (RLA/77/001) and training in agricultural planning, programming and projects for rural development (RLA/77/006). These projects will continue to

reinforce national project activities. Provision is made for the execution of a small national project for the organization of a course on planning for rural development. The Ministry of Agriculture will provide a cash contribution for this project. Also important is the support which certain regional projects, such as the project on the development of tourism in the Caribbean (RLA/79/063) and that on regional advisers of the Intergovernmental Maritime Consultative Organization for Latin America (RLA/72/069) will continue to provide for programmes executed directly by the Government.

15. Agriculture and renewable natural resources have been assigned top priority in the third country programme of UNDP technical assistance for the Dominican Republic. These sectors will absorb an estimated 40-50 per cent of the illustrative IPF. UNDP resources will serve as a catalyst in the non-renewable natural resources sector, in agro-industry and in export promotion, in which their function will be to generate additional investment in these areas. In the social sector - education, housing and health - UNDP co-operation will be directed towards supplying and/or complementing the technical assistance needed for the substantial investment in these sectors programmed by the Dominican Government with the active participation of the traditional multilateral financing agencies serving the region. A specific amount from the IPF will be earmarked for the institutional strengthening of public administration in such areas as planning, statistics and the national budget.

PROPOSED UNDP TECHNICAL CO-OPERATION IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

16. Higher food production with a view to reducing requirements for food imports, which represent approximately 10 per cent, in value, of all goods imported into the country, continues to be a prime national priority. Bringing about this increase will involve growing participation of the rural population with a view to achieving at the same time an increase in rural income, another important national objective.

17. The objectives of the investments for the livestock sector approved in the Triennial Plan are research and development programmes with a view to improving the technical conditions of production and programmes to improve the organization, distribution and marketing of production. The Dominican Agrarian Institute (IAD), which is responsible for encouraging the process of land reform in the country, will have a dominant role with respect to the second objective.

18. Provision is made for UNDP participation in projects of assistance to livestock research and land reform. These projects will have the specific objectives of strengthening research and extension work with a view to introducing appropriate technologies adapted to conditions in the country, particularly for the small farmer. Co-operation with IAD will concentrate on training in order to ensure progress in the organization, distribution and marketing of production in rural settlements. Both activities will also receive support from the livestock programme agreed upon by the Dominican Government and the Inter-American Development Bank (IDB).

19. The conservation and rational development of the country's river basins is closely related to agricultural and energy production. Significant bilateral co-operation with the Government of the United States of America and recently-initiated negotiations with a multilateral financing agency will ensure the channelling of a substantial flow of resources to this priority area.
20. Forestry development has an important part to play in the conservation of river basins and agricultural land and is also important as a source of energy in rural areas. Provision is made for UNDP participation in this sector, in close co-ordination with the other external sources of assistance mentioned earlier, and priority is being assigned to the incorporation of forestry development in a new strategy for the protection and development of national river basins. Activities supported by UNDP and the European Economic Community in agro-meteorology, hydro-meteorology and hydrological forecasting will complement assistance in this sector.
21. With a view to better utilization of the country's water resources, provision is also made for preparing, with UNDP assistance, a study on improving existing irrigation systems and a water balance for the south-west region.
22. The exploitation of non-renewable natural resources is an important source of income for the country and the development of natural resources is deemed to be a fundamental means of helping to improve the trade balance. The geological data available provide evidence of unexploited mineral resources. Their quantification and the planning of their rational development are the subject of bilateral and UNDP co-operation.
23. The assistance being given for the strengthening of the Department of Mines and Hydrocarbons will continue, with particular reference to the analysis laboratory, whose capacity is to be expanded. The evaluation of mineral resources, especially gold-bearing minerals, will be concentrated in a specific area of the country which is considered to have high priority.
24. The Government is carrying out a wide range of activities to deal with the energy crisis, and an ad hoc commission has been established to formulate energy policy. It is expected that UNDP support will be needed to ensure maximum consistency in this effort.
25. Plans are also being made for advisory services with regard to the decisions to be made by the authorities on the exploration of recently discovered coal deposits. The potential significance of these deposits as a possible source of supply for thermo-electric power plants makes the development of these resources specially important.
26. UNDP co-operation in the non-renewable natural resources sector will be complemented by technical co-operation agreements between developing countries and the country's main suppliers of hydrocarbons.
27. The rising cost of hydrocarbons, for which the country is totally dependent on imports, together with the effects of the world recession on the price of

traditional export products, has obviously had serious adverse effects on the country's trade balance.

28. This has induced the Government to assign high priority to diversifying its exports. It is considered that the high output of tropical fruit and the potential for the production of legumes, together with the proximity of traditional import markets such as the Caribbean and the United States, offer concrete prospects for success.

29. UNDP co-operation in this sector is centred on a joint effort of the Dominican Export Promotion Centre, the Ministry of Agriculture and IAD for the production and preparation for export of fresh fruit and vegetables. The Common Market of the European Economic Community will take part in this effort through cost-sharing arrangements.

30. In addition an effort will be made to rationalize food import procedures with a view to reducing the cost of this item in the trade balance.

31. At the same time, studies and the formulation of feasibility projects on the industrialization and export of processed agricultural products will be intensified. The emphasis will be on co-ordination with existing financial funds from the multilateral development bank, with a view to converting projects into practical achievements.

32. In the social sector the government is giving priority to extending the coverage and improving the quality of services. In education the objectives are to increase coverage in primary education sector, improve the level of secondary education and improve the training given in teacher training schools. External financing agencies will participate in the investment required in order to increase the number of class-rooms and provide the necessary equipment, including textbooks.

33. In order to enable the Education Ministry to cope successfully with this important responsibility, the planning unit of that Ministry must be strengthened and organizational procedures and modern methods of compiling statistics and budgetary control introduced. UNDP is co-operating in strengthening the Ministry in these areas. This assistance will continue in the new programme and will take the form of close co-operation with the international financing agency with which a third loan to the sector is being negotiated.

34. Vocational, technical and management education will continue to receive the support of the national authorities. The existing projects of the United Nations system, which deal with co-operation in the launching of the Institute for Technical and Vocational Training (INFOTEP) and in the programme of management training established by the Dominican Corporation for State Enterprises, will continue under the forthcoming programme.

36. The Government, aware of the qualitative and quantitative weaknesses of the housing sector, has entrusted to the National Housing Institute (INV) a large-scale programme of low-cost construction and rehabilitation. In the implementation of

this programme, the technical assistance of UNDP will stress the establishment of housing standards for urban and rural areas, the design of standard prototype low-cost dwellings for mass use in approved projects, and the establishment of administrative, contractual, inspection and monitoring arrangements for all housing projects being planned.

37. This technical assistance will be supplemented by bilateral support from the Government of the Federal Republic of Germany which will be concentrated on organizational aspects and on the administrative and financial running of the INVI. The assistance to be provided by the United Nations is being co-ordinated with current negotiations with an international financial agency on providing the resources necessary to carry out the construction programme entrusted to INVI.

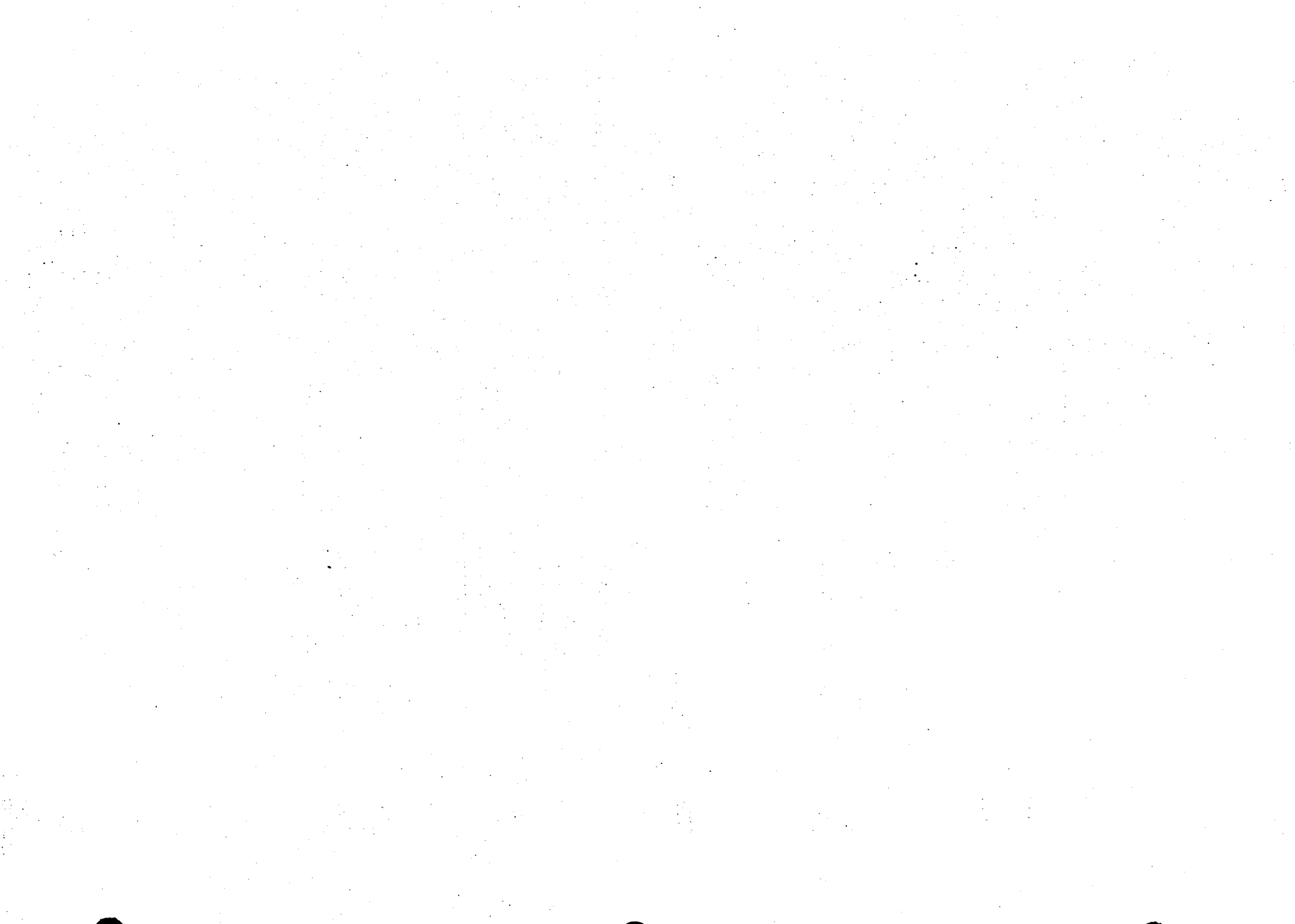
38. The Government has given special support to the establishment and gradual consolidation of a planning system with a view to rationalizing decision-making in the public sector. The main organs concerned with public-sector planning and administration are the National Planning Office, the National Statistical Office, the National Office for Administration and Personnel, and the National Budget Office, all under the management of the Technical Secretariat of the Office of the President.

39. The United Nations has been closely associated with the introduction of a planning system in the country and provision is made for continuing this co-operation. It is intended to formulate a comprehensive project to support the strengthening and necessary interaction of these offices in the following spheres: (a) strengthening the national planning system; (b) development of a system for the effective utilization of statistics with emphasis on census results; (c) improvement of systems of budgetary control and performance; (d) institutional development of the public sector by means of establishing an administrative career service; (e) strengthening the system for the administration of international technical co-operation.

40. In the transport and communications sector, the need for institutional strengthening of the telecommunications, civil aviation and postal services has been identified.

41. Since the programming exercise is a continuous one, it has been decided to submit for consideration by UNDP a volume of assistance exceeding the funds at present available, bearing in mind that annual expenditure must not exceed the established ceiling. In the negotiations on the approval and implementation of projects, consideration will be given to the possibility of using inputs from the UNDP regional programme, technical co-operation among developing countries (TCDC) and the other forms of assistance identified in paragraph 7.

42. It is anticipated that some of the large-scale schemes will require short-term preparatory assistance in order to ensure co-operation with the responsible national authorities in the final programming.



Annex

FINANCIAL SUMMARY

A. <u>Resources</u>	(\$US)
(a) IPF and other resources	
(i) Illustrative IPF for programme period	12 000 000
(ii) Carry-over from previous IPF cycles	(300 000)
(iii) Other resources (cost-sharing)	378 000
(b) Provision for adequate programming	----
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Total	12 078 000 *****
B. <u>Use of resources</u>	
(a) Programmed	
(i) Ongoing projects	631 000
(ii) New projects and new phases included in the country programme	6 672 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	2 375 000
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Subtotal	9 678 000
(b) Reserve	----
(c) Unprogrammed balance <u>a/</u>	2 400 000
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Total	12 078 000 *****

C. Financial distribution of programme by sector

<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
	(Thousands of US dollars)			
02 General development policy and planning	50	580	300	930
03 Natural resources		1 680	200	1 880
04 Agriculture, forestry and fishing	75	2 270	850	3 195
05 Industry	--	450	--	450
06 Transport and communications	--	--	800	800
07 International trade	46	500	--	546
09 Human settlements	--	712	--	712
10 Health	--	480	--	480
11 Education	180	--	225	405
12 Employment	280	--	--	280
Total	631	6 672	2 375	9 678

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.
