



USAID | **DOMINICAN REPUBLIC**
FROM THE AMERICAN PEOPLE

Building Dominican Institutions

A Retrospective Look at USAID Institutions Building
Assistance from 2000 to 2006



By Elena Brineman
USAID Dominican Republic Mission Director
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Introduction

In the United States Agency for International Development (USAID), we rarely stop and take the time to look at what we have accomplished over the longer term. We tend to look at accomplishments year by year and we often document achievement of each objective through evaluations at the end of a strategy period. However, evaluators are rarely long-term and tend to look at progress toward objectives based on indicators that are well documented. They often miss the less well documented, often more subtle progress in institution building, which is a complex process and does not lend itself to measurement by simple indicators. Unfortunately, few of us in USAID leadership positions have the opportunity to conceptualize an entire strategy and see it through to its final results. Thus, we rarely have a chance to garner the personal observations over time, which allow us to take a longer term perspective on institution building. The result is that USAID, as stewards of funds provided by the American people, has a hard time in articulating what is often the more important development and nation building story we have to tell, the story of how we help countries build the institutions that lead to the greater well being of its citizens over the long term. As I prepare to leave the Dominican Republic, I want to take this opportunity to document some of the advances I have seen in building Dominican public and private institutions with USAID collaboration and support over the past six years, from July 2000-2006. I think these changes represent what is truly transformational development.

Before continuing, I want to pause to reflect on the perspective of my analysis. I am purposefully writing this paper from the USAID perspective because I want to document the ways in which I believe USAID has influenced institution building in the Dominican Republic. This perspective is also somewhat unusual because we generally, and rightly, place our host country partners and counterparts in front in describing what USAID accomplishes. The reality is that USAID accomplishes nothing by itself. Every institution building advance USAID helps

bring about in the DR is led and driven by visionary Dominicans who are committed to their country and to the greater good of their fellow citizens, sometimes at the expense of their own personal well being or advancement. These are the real nation building heroes that one finds in every country and that we have consistently found in the Dominican Republic over the past six years. One of the challenges of a successful development professional is to locate those committed, capable leaders within a strategically chosen arena and support them with all the technical, financial and moral support we can provide, within the confines of our own limited resources.

USAID also does not work alone in other ways. As we work with our Dominican partners and counterparts we also collaborate with other U.S. government departments and agencies, other bilateral donors and multilateral institutions, and with non-governmental organizations and the private sector in helping to bring about the positive changes our Dominican partners seek. Thus, many of the institution building efforts I will discuss are the result of joint efforts. Again I want to acknowledge that up front. Lastly I want to make it clear that when I refer to USAID I am also including our contractors who are fully funded with USAID resources. However, in doing so I want to recognize the wonderful job that our USAID staff and USAID institutional contractors and their staffs, most of whom are Dominicans, have done in helping Dominicans build institutions that will serve this country and its development for years into the future.

I also want to clarify that this paper takes a broad view of institution building. I believe that institution building also includes building a consensus around a concept among a critical mass of citizens in a country to the point that the concept or principle becomes a part of that society's economic, political or social structure and thinking. Thus, concepts, principles, and values also become institutionalized. Sometimes these conceptual changes are necessary first steps in getting to the point of more traditional institution building. This paper takes into

consideration both the conceptual and more traditional types of institution building.

Dominicans also do not often stop to look back at all they have accomplished in terms of institution building. Rather, those interested in building institutions tend to look forward to the often frustrating and daunting tasks before them. Political success in the DR is often marked by infrastructure projects completed, or by economic growth achieved, rather than by institutions built or good, citizen-oriented governance provided. I hope that this informal retrospective will help the real nation building heroes of this country take heart and continue to move forward.

Government institutions are surprisingly weak in the Dominican Republic, given the size and vibrancy of the Dominican economy. Furthermore, over the past 30 years, building strong institutions and institutionalizing concepts of good democratic governance have not been a priority of most political activists or parties in the country. The personality centered, autocratic, manipulative, and highly clientelistic political system that has evolved over time has generally worked against the development of strong public institutions, respect for the rule of law and good governance that serves the needs of the general population. Over the past 10 years, much of the progress toward institution building has been driven by civic movements that have pressured the political establishment for institutional change and have supported those few leaders who have made real efforts to strengthen key institutions and to institutionalize concepts of good, democratic governance, be it in the economic, political or social spheres. Often those leaders who have expressed interest in building strong institutions and policies that would enhance sound democratic governance are fighting an uphill battle as they are influenced by the individual-interest focused political pressures of the Dominican political culture and the political cabals around them.

Over the past six years, USAID has played an important role in supporting those in both civic movements and in government interested in enhancing good economic, social, and political governance and in building the institutions needed to accomplish these goals. USAID support has been moral, monetary, and technical. In the Dominican Republic, the strong moral support that USAID has provided has often been more important than the other two.

Opening Economic Opportunities and Enhancing Competitiveness

Competitiveness: In 2000, a group of Dominicans, with USAID assistance, completed an initial National Competitiveness Strategy that identified the major issues the country should address to enhance its competitiveness. This strategy included maintaining a stable macroeconomic framework, improving basic education, protecting the environment, cultivating the development of clusters in key economic areas, improving the business environment, and enhancing trade. While there was a small core of private sector players who had helped develop the strategy interested in moving forward, there was little interest on the part of the incoming Mejia administration. The idea of a cluster was a little known and even less understood theory, and the concept was certainly not practiced anywhere in the country. The Dominican business culture did not include working together with your local competition for mutual benefit, much less working jointly with government on a common goal. Rather, the culture was one derived from the Trujillo and Balaguer years where the business sector learned to survive by watching out for him or her self and where each entrepreneur went individually to the Dominican President to obtain the favors that allowed his business to get ahead. There was no link between government policy making and the goal of enhancing the country's competitiveness.

Today, thanks to USAID's leadership and unfailing support of some visionary Dominicans, there are at least nine solid working clusters in the country, six in tourism and three in agriculture, and there are more forming every week that are seeking technical assistance through the National Competitiveness Council (NCC). Additionally, there are two Clusters of Clusters – one for tourism and the other for agriculture - for a total of eleven clusters. Most of the clusters are now demonstrating sufficient bottom line results that the cluster concept is widely accepted and the two-year old Fernandez administration, the private sector, and

other donors consider clusters and cluster formation at the core of the country's competitiveness initiatives. The principles that USAID introduced in cluster formation feature strategic partnerships among private companies involved in a lead economic sector such as tourism or specific niche market agriculture products such as mangos in a given region of the country. In addition, the principles include formation of strategic partnerships between private firms, government, and communities and the protection of the environment in the focus region. These concepts have become the founding principles for all clusters supported by the NCC. The NCC, chaired by President Fernandez and organized with USAID technical assistance, now serves as a focal point for cluster support and policy reform to improve competitiveness and the business climate. The NCC now has IDB support in the form of a \$9.4 million program that USAID technical assistance helped develop to support their work and further cluster development. The tourism and agricultural Clusters of Clusters, have now formed networks of the respective clusters across the country and continue to lobby for policy changes and government investments that will help make them more competitive and sustainable.

The USAID-supported clusters have results to demonstrate. The Romana-Bayahibe Tourism Cluster, a leader in cluster development, is the first group in the Dominican Republic with Green Globe certified hotels and the country's first Blue Flag certified beaches. Both environmental oriented certifications increase their attractiveness, particularly with the European market. Other destinations are now trying to follow suit, because of the results that this cluster has achieved. This cluster now has above 85% occupancy virtually all year, smoothing out the seasonality of most tourism destinations. The town of Bayahibe has been incorporated into the cluster and the community work shows. The garbage that used to line the roads leading into and within Bayahibe is now gone. The town is growing rapidly, small hotels, restaurants, and dive shops are sprouting up to meet the demand for a different model of tourism. There is a new high school and vocational training center thanks to cluster assistance, and a semi-annual

artisan and local cultural fair has been established with Romana-Bayahibe Cluster leadership and USAID assistance. The aquifer that serves as the area's water source was being contaminated by a squatter community six years ago. The aquifer is now protected as part of the near-by Parque del Este. The squatter community is now a thriving, well-organized community close by where residents live in homes that were built with their own labor, USAID financial assistance, on Romana-Bayahibe Hotel Association purchased land. Sewage, water and roads were provided by the Dominican Government and the electric distribution system was put in with USAID and National Rural Electric Cooperatives Association (NRECA) assistance.

Other USAID supported clusters are also demonstrating significant results. The La Vega Horticulture (fruits & vegetable) Cluster is now exporting approximately \$50 million in products annually. In addition, the Mango Cluster is now exporting mangos to the U.S. for the first time, having addressed the phytosanitary issues that had prohibited such exports in the past. The La Altagracia-Punta Cana-Bavaro Tourism Cluster successfully convinced the government to support infrastructure development in the area, worked with the government to control malaria in the region, and is working together to address the problem of the uncontrolled squatter communities growing up around this key tourist destination. The Barahona Cluster, which has become a force that must be reckoned with in making government decisions on development in the south, has successfully gotten the Barahona airport reopened to commercial flights and has persuaded an airline to make regular flights to the local airport, making it easier for tourists to access the destination. Cruise ships are now visiting Samaná for the first time thanks to the work of the Cluster there. The Puerto Plata Cluster is on the move in getting its major contamination issues resolved and in getting the destination known as a site for cultural tourism, not just sand and sun. Most important from an institution building perspective, others are now seeing that cluster formation brings results and are beginning to get together to form clusters in other regions of the country and other sectors. Clusters are joining together with each other

and with other organizations to push for transparent land use planning in the tourism destinations, to protect the national parks from private interests trying to destroy them and to call for policy changes to improve the business environment.

USAID's collaboration in developing the Dominican specialty coffee industry deserves special attention as it largely preceded the most intense work on cluster development. In 2000, the price of commodity coffee world-wide had plummeted, coffee farmers were unable to adequately maintain coffee rust under control and many small farmers were switching to annual crops to keep food on the table. This had enormous implications not only for the farmers, but also for the environment since most coffee was grown under shade in mountainous areas.

There was only a nascent specialty coffee industry in the Dominican Republic when USAID began working with FUNDOCAFE and other small producers with good specialty coffee potential who were interested in the premium coffee market. USAID encouraged this group to work together, helped them connect with the American Specialty Coffee Association and introduced "cupping" to test the quality of specialty coffees in the DR. The Dominican Association of Specialty Coffee (ADOCAFES) grew out of that effort. USAID supported the US Geological Survey to help the newly formed Dominican Coffee Council (CODOCAFE) and ADOCAFES set up an internet based specialty coffee map of the Dominican Republic to help market specialty coffee internationally. The data base was adopted and is now being successfully used by CODOCAFE, ADOCAFES, the Jarabacoa Coffee Production Association (ASCAJA), and the Dominican Institute for Agricultural Research (IDIAF) for the worldwide promotion and marketing of Dominican specialty and organic coffee. As USAID assistance tapered off due to a lack of resources, French assistance fortunately came in to help further develop the Dominican specialty coffee industry. As a result of these combined efforts, ADOCAFES and the other organizations mentioned above

have quickly made Dominican quality coffee move forward and compete for the first time in several decades with other coffee producing countries in the region.

On the government side, the National Competitiveness Council, with USAID assistance has decreased the days required to register a business from 78 to 32 and is quickly headed for further improvements. Work is also moving forward in getting international arbitration and bankruptcy laws in place and in adjusting Free Trade Zone legislation to World Trade Organization (WTO) requirements. Most important is the fact that a national institution with private sector participation that is focused and working actively on these and other issues affecting the national business environment now exists thanks to visionary Dominican leadership and USAID assistance.

Trade: USAID played a key role in helping the Dominican Republic prepare for successful CAFTA-DR negotiations and supported the studies and public education initiatives that helped get the treaty ratified by the Dominican Congress in September 2005. USAID continues to help the country implement this treaty, particularly in getting sound government procurement laws and systems in place, changing intellectual property laws and procedures to meet international and CAFTA-DR standards, particularly for pharmaceuticals, and developing the policies and procedures needed to implement the country's environmental laws. Training of customs officials on rules of origin has helped strengthen their ability to implement all the international trade agreements. USAID has also helped the DR put in place the systems needed to adequately respond to WTO reporting requirements in a timely manner. Much still needs to be done; but with USAID help, the country has been and continues to rapidly develop the government institutions it needs to better negotiate and implement international trade agreements.

To assist Dominican private sector development, USAID has helped the National Competitiveness Council identify priority sectors (medical equipment, ICT,

footwear, electronics) and products most likely to be competitive for Dominican business in the future. In a collaborative effort with the American Chamber of Congress (AMCHAM), this information has now been widely disseminated to the business community throughout the country so Dominican entrepreneurs can quickly take advantage of the opportunities that are open to them. Thanks to a USAID-ADAZONA partnership a Pre-production Textile Training Center now is operational to teach small to medium sized companies in free trade zones how to adjust their strategies and production to compete in the absence of the old multi-fiber agreement.

Financial Markets: When I arrived six years ago a transparent securities market did not exist in the DR. There were no long term investment instruments in the country, no formal secondary market for government bonds, and there was a move afoot to establish a national pension funds system that would need a place to invest in long term securities. Furthermore the only market that did exist was used by the banks to cover up the existence of non-performing assets and to avoid taxes and reserve requirements, adding to the fragility of the country's banking sector.

Over the last six years USAID technical assistance and unrelenting advocacy helped Dominicans develop and approve a sound capital markets law. USAID assistance worked with Dominican counterparts to strengthen the organization, Board structure, oversight, internal procedures, market operations, and computer software of the Dominican Securities Market (Bolsa de Valores) to bring it up to international standards of security and transparency. This effort included establishment of the required insurance fund and of a transparent and secure custodial and transaction clearance facility, connected with the Central Bank, for securities that are bought and sold in the market. It also required extensive work with the Finance Ministry, Central Bank and Congress to develop government bonds that could be standardized, correctly registered with the Superintendent of Securities, and transparently traded in the Dominican Securities Market.

Development of a transparent market system has been an up hill battle in the DR because of strong interests on the part of the banking sector to maintain a non-transparent, unregulated securities trading system. Nonetheless, the system is now in place that will allow for transparent, electronic securities trading in both a primary and a secondary market. The faulty link is a very weak Superintendent of Securities and a continuing strong banking sector that appears to be more interested in maintaining a non-transparent, unregulated secondary securities market where they reap big profits, but continue to put the Dominican financial sector at risk. USAID public and private diplomacy and advocacy have more recently stimulated a growing public debate on the Securities Market, the reasons why it is not fully functioning and the risks that the unregulated, internal bank market trading of securities is creating for the banking sector. The end of the story has not yet been told. The technical work is essentially done, now it is a matter of government and financial sector commitment to take a longer term view of development that is in the interest of the country rather than a short term perspective focused only on the annual profitability of individual banks and the groups that own them.

Government Securities and Land Expropriations: Since 2000, USAID technical assistance has helped the Secretary of Finance establish the necessary institutions, procedures, tools and capacity to transparently ascertain the value of expropriated lands (some going back more than thirty years) and use government bonds to pay for those and other government debts and obligations in a reliable manner. In the process, USAID has helped clear 247 old cases of expropriations and substantially reduced the cost to the Dominican government of clearing these old debts, allowing the government to save approximately 34% (approximately DR\$573 million) of the total amount earmarked for bonds to pay for expropriations. USAID has also helped the DR establish a data base of land values going back more than 30 years that can be used by both the public and private sectors for setting fair values for expropriated lands. The sustainability of

this system will depend upon the commitment, integrity, and continuity of individuals in the Secretary of Finance and the National Cadastral Office.

Environment: When I arrived in 2000, USAID had supported civil society groups to help the Dominican Republic develop and advocate for passage of a progressive, technically sound, integrated Environment and Natural Resources Law. Law 64-00 was passed immediately after the Mejia administration took office in August 2000. The Law mandated pulling together units dispersed in multiple ministries and independent agencies throughout the public sector into an integrated ministry under the Secretary of the Environment and Natural Resources. Conceptually it called for a two tiered implementation strategy, with responsibility at the national level assigned to the Secretariat of the Environment and Natural Resources and at the local level to municipal environmental management units. Passage of Law 64-00 provided the legal framework. However, the basic institutions did not exist. The Secretariat of Environment and Natural Resources was only on paper, no municipal environmental management units existed, the Law required sector laws in controversial areas, such as parks and protected areas, biodiversity, forestry, and coastal-marine resources. No environmental norms and standards existed and there were no internal procedures or regulations for issuing environmental licenses, or administrative sanctions. The law called for Environmental Prosecutors, but this group did not exist.

Since August 2000, USAID has supported the Secretariat of Environment and Natural Resources in forming a consolidated management team in the Secretariat, and in developing the policy and regulatory framework and some of the internal procedures needed to implement the law. Training and technical assistance on strategic planning and programming have helped focus Ministry efforts. The most important parts of the policy and regulatory framework supporting the National Environment Law are well advanced, with development and passage of a Parks and Protected Areas Law (flawed but existent), and draft

laws have been developed for Biodiversity and Marine and Coastal Areas. Environmental norms and standards were developed, approved and are being implemented for air, water, waste water, forestry, noise, toxic waste, non-metallic mining, and marinas. USAID assistance helped institutionalize the concept of active private sector participation in development of norms and standards as a Ministry practice. USAID also supported the Ministry's initiatives to protect key staff under the civil service career law by providing technical assistance on position descriptions and establishing job evaluation procedures.

A cadre of Environmental Prosecutors has been trained, is functioning and is now more effectively linked to the Public Ministry under the Attorney General. They are actively prosecuting environmental crimes. Internal regulations and procedures for application of administrative sanctions by the Secretariat of Environment are almost completed. The Secretariat has gained valuable experience in the design and dissemination of national environmental education campaigns. At the municipal level, 41 municipal environmental units are now active and 14 have now developed and are beginning to implement their own environmental ordinances.

USAID assistance helped design a national environmental information strategy and helped develop base line data and systems for monitoring and evaluation of environmental impact. USAID assistance started with a comprehensive Country Environmental Profile (CEP) that had not been done since USAID assisted in this work in 1981. The CEP provided recommendations on the country's most pressing environmental problems and served as a basis for ongoing assistance to the Secretariat. A comprehensive assessment of ground-water resources in the country was developed with emphasis on its role in massive tourism development and associated threats in the eastern coastal plain. In collaboration with The Nature Conservancy, USAID helped develop a biodiversity and an avian data base, two avian field guides, and a biodiversity assessment of freshwater conservation targets. A land use/land cover map and an internet-based coffee

information system for the whole country were developed in partnership with the US Geological Survey.

USAID also helped develop technical instruments to aid policy development. A methodology for economic valuation of protected areas was developed using Parque Nacional del Este as an example, and a number of conservation area planning and environmental education instruments were developed. Many of these instruments are being used by the Secretariat of Environment and private entities. A strategy for the sustainable management of the Jaragua-Bahoruco-Lago Enriquillo Biosphere Reserve was developed and is being partially implemented with Spanish and German funding. A micro-watershed management methodology was developed using the Tireo River as a model for the country. Three pilot projects resulting from the model are to be implemented with Brazilian financing. Economic incentives criteria for organic and clean production practices were also developed.

On the non-governmental side, USAID has enticed the private sector into investment in 26 model projects demonstrating voluntary implementation of norms and standards protecting the environment through the Environmental Investment Protection Fund (FIPA in Spanish). These efforts, along with the environmental awareness developed in the USAID supported tourism clusters, have helped expand private sector support for environmental protection in the country.

Energy: The electric sector has been in an on-going crisis during most of the last six years, with prolonged blackouts, high costs, and unreliable service. USAID served as a credible, objective source of information and analysis in identifying the real reasons behind the country's prolonged electricity blackouts and electric sector crisis, helped build a consensus among stake holders on the sector's major problems and, in collaboration with the World Bank (WB), helped Dominicans develop a two year plan for bringing the sector back to financial

stability and in tracking progress in doing so. Although the sector has stabilized in terms of prolonged blackouts and is no longer on the brink of imminent collapse, blackouts do remain, the sector only meets 80-85% of demand each day, costs remain extraordinarily high, distribution companies remain unable to recuperate costs, general government subsidies to the sector remain high, and the sector's major institutions remain weak. Fraud in the sector is still widespread and is one of the principal reasons for the slow progress in resolving the sector's financial problems. Political manipulation, powerful special interests and lack of transparency in the sector also continue to make it difficult to resolve fundamental problems.

USAID assistance helped launch a government led energy conservation strategy for the first time. The government is now preparing action plans to implement the strategy, giving priority to public buildings and forming institutional energy efficiency committees (CIURE - Spanish acronym). USAID assistance helped establish an energy efficiency technical team at the National Energy Commission (CNE – Spanish acronym), train representatives from 110 government institutions, 50 of which are in the process of forming their CIUREs, and conduct energy audits in at least 100 public buildings. The CNE technical team trained with USAID assistance is now capable of conducting additional energy audits, and has expanded the number of audited public buildings to nearly 150. In addition, as a result of implementing audit recommendations, two government entities, the Secretariat of Foreign Affairs and the Dominican Social Security Institute are saving 15%-25% of their overall energy bills.

In rural electrification, USAID and its partner the National Rural Electrification Cooperative Association (NRECA) helped the Rural Electrification Unit (UERS) of the CDEE (the national electric company) map the electric distribution system throughout the country and design a national rural electrification program. With USAID support NRECA also worked with the UERS and private energy sector partners to launch pilot projects to develop models for providing power to un-

served rural areas and informally served marginal urban communities through cooperatives that will turn low income households into paying clients and increase productive uses of electricity in the country.

Education: In 2001, there was a substantial amount of multilateral funding (European Union (EU), Interamerican Development Bank (IDB), WB) directed at basic education, pre-primary, primary, and secondary. However, little of it was focused on the problem of the poor quality of public education in the country. With few resources compared to other donors in the education sector USAID decided to focus on the issue of improving quality, in hopes of influencing the direction of other international assistance flows. USAID focused on getting the private sector and communities more involved in taking responsibility for the quality of primary public education.

USAID technical and financial assistance helped insert the issue of education quality into the public dialogue. With USAID help the country now has a scientifically reliable and credible testing system for reading comprehension and mathematics, developed in conjunction with local universities, Pontificia Universidad Catolica Madre y Maestra (PUCMM) and Instituto Tecnologico de Santo Domingo (INTEC). The first round of tests in May 2005 clearly demonstrated that public school graduating fifth graders were functioning at less than the expected third grade competency levels in reading comprehension and math. Furthermore, the average public school fifth graders were performing below the average Dominican private school third grader in reading comprehension and at approximately the same level as the average private school third grader in mathematics. These results clearly document the growing gap between the ability of rich and poor Dominican children to take advantage of opportunities that will open for them as adults. The local universities now know how to conduct and process these tests, the 2006 round of testing is now underway, and the methodology has now been recognized and is being adopted Latin America and Caribbean wide to evaluate the teacher training work of the

Summit of the Americas Centers of Excellence in Teacher Training (CETT) in Central America, South America and the Caribbean.

USAID collaboration with PUCMM and the Secretary of Education has also introduced the CETT methodology for improving reading comprehension into 80 pilot schools in the Dominican Republic. On an anecdotal basis, this methodology appears to be having a positive impact. The test methodology developed will be applied to CETT schools in September 2006, so the country and USAID can better judge results in terms of quality education, as measured by student competency. If the CETT methodology proves successful, it will be expanded to another 100 pilot schools and will incorporate fourth graders and math education over the next two years. At the end of that period the Dominican Republic may have the tools to substantially improve reading and math skills in primary education and can decide whether it wants to introduce the methodologies nationally.

USAID's ongoing exploration of private sector support for the improvement of Basic Education has identified dozens of corporate sponsors who are deeply committed to public education. In terms of thousands of dollars invested and thousands of students reached, the Dominican private sector is fully on board with the concept of social responsibility and the need for improved education. The entrepreneurs – big, medium, small – all have demonstrated a sincere interest in a school sponsorship concept that goes beyond infrastructure. Though public goodwill has been a motivating factor, a growing concern within the private sector has been the need for a brighter future for Dominicans of all social groups. USAID will continue to work with the private sector to see how the resources being invested can result in having a greater impact in improving quality in public basic education.

USAID has also worked on strengthening links between primary schools and the communities they serve. An interesting phenomenon occurred while implementing the USDA/USAID Global Food for Education Initiative (GFEI) and

Food for Education (FFE) programs. In the words of an NGO technician, the organizations that worked on grass roots community development always thought of beneficiaries in terms of people, be they children or adults. But in working with the school as the center for all interventions, this NGO representative discovered that all involved began to think of the school community as the beneficiary. Children and their parents were receiving many benefits (in the shape of improved nutrition and sanitation, infrastructure, didactic materials, and so on), but the larger, longer term benefit came from the realization that there was a central point in which the Dominican and United States governments, the NGOs, religious groups, teachers, students and their entire families could meet with common priorities. This does not yet constitute a full-fledged institution, but it is a concept that continues to prosper in most of the communities that the GFEI and FFE programs chose – the idea that a school is not just a building but the heart of a community where all actors can converge with a view towards improving the quality of their lives.

Democracy, Governance and Justice

Electoral and Political Process Reform: In August 2000, the DR had just completed its third free and fair election process since the controversial 1994 elections. USAID support to civic movements led by Participacion Ciudadana (PC) helped introduce the preferential vote for both mayors and Deputies in the 2002 Congressional and Municipal Elections. For the first time, this made it possible for voters to directly elect the individuals they want for mayor, rather than voting for a party and having their elected official chosen for them. For the first time, it was possible for a voter to elect a Senator and Deputy from one party and a mayor from another. The change also took the first step toward direct election of Deputies. Although the vote for Deputy is still tied to the vote for Senator, and City Councilmen are still elected as a party slate with the mayor, the changes in 2002 brought far more voter discretion than in the past and laid the basis for building the constituent-voter relationships characteristic of a mature democracy.

USAID support to Participacion Ciudadana and its civic movement also helped achieve changes that enhanced security and transparency in the electoral registry and voter cards, removing a significant opportunity for fraud from the electoral system. These changes permitted PC to advocate between the 2002 and 2004 elections for abolishing the closed polling site system. That system required all who were going to vote to arrive at the polling site to register before voting began and required women to vote in the morning and men in the afternoon. The increased voter participation in the 2006 elections in comparison to those in 2002 may well be a result of both the current open polling site system and the enhanced ability of the voter to cast a ballot directly for the individuals he or she wants. The fact that voters in 2006 clearly split their votes in many places, voting for a Senator and Deputy from one party and a mayor from another can be interpreted as an advance in voters voting their conscience. Also for the first

time in 2006, the security of the voter registration list and voter identification cards was not a major issue in the Dominican Republic, a reflection of the advances made in this area over the last six years. However, the system for counting, tabulating and registering votes remains a challenge that needs further work. Furthermore, the vast majority of candidates did not run on a clear platform that let voters know what they could expect of them if they won. The lack of transparency in campaign financing and the illegal use of government funds for election campaigns also remains a huge problem that must be addressed.

USAID's consistent and unflagging support of Participacion Ciudadana's election observation efforts with its year long pre-election monitoring, mobilization of thousands of local monitors on elections days, development of reliable and credible quick counts, and vigilant post election monitoring and analysis has helped assure fair, participatory and credible elections over the past six years, helped reduce tensions in each electoral process and contributed to the constant improvement seen in the Dominican electoral system. In 2004 two of the major political parties requested PC electoral observation of primaries for the first time, taking the first steps in making candidate selection more transparent. PC now has widespread credibility locally and has become recognized as a hemisphere-wide leader in election monitoring. PC is now providing technical assistance and training to civil groups in other parts of the hemisphere and world.

One of the most important challenges facing Dominican civil society organizations is the quest for financial sustainability in a way that does not compromise their independent voice on sensitive issues. Thanks to USAID support, in collaboration with the Synergos Foundation, Participacion Ciudadana has made substantial progress in assuring its own future sustainability as an independent voice for sound democratic processes and good governance. As a result of its well-organized sustainability campaign, PC has been able to buy its own headquarters, and start an endowment that already has substantial

A third pillar of enhancing government transparency and fighting corruption is holding elected officials accountable to voters. With USAID support, PC has begun formal monitoring of the performance of legislators and Congressional Committees, which could have long-term impacts on Congressional results and transparency. For the first time Dominican citizens are now receiving regular reports on Congressional actions, voting records, attendance and performance.

The course included an important component of “humanizing health care services”, which struck an important chord in many of the trainees. The results so far have been excellent, and the staff of the Los Mina Hospital, the second largest maternity hospital, has now assumed the role of advocates for quality, humanized services to their peers in other hospitals. The SOH has now incorporated all medical practices taught in the course into new EmOC protocols that the government plans on publishing and distributing this year. The SOH called a meeting of international donors to present their national strategy to implement EmOC in an additional 15 hospitals and to get commitments from other donors to fund the expanded program. USAID continues to provide technical assistance to the SOH to ensure the quality of the courses and to emphasize the importance of conducting a baseline assessment and at the hospitals and establish a simplified monitoring system to measure the impact. The SOH has now completed 3 of the 15 courses in its expanded initiative to improve maternal services to major hospitals nationwide.

In December 2004, after returning from a USAID funded Latin America and Caribbean regional contraceptive security forum the Dominican government formed a national contraceptive security committee (disponibilidad asegurada de insumos anticonceptivos – DAIA). The DAIA committee was formalized with a ministerial decree. With excellent leadership and on-going USAID technical assistance the DAIA has become a unique monthly forum for addressing issues on contraceptive security, information sharing, decision making and collaboration on family planning issues. The SOH (CONAPOFA and DIGEMIA) are the coordinators of the DAIA and it is a unique opportunity for them to interact with other government, NGO, private sector and civil society representatives. The continued success of the DAIA is largely due to effective leadership, the proactive and positive response from the Dominican government and other actors and the cooperative environment that encourages transparency.

In the year and a half of existence, the DAIA has had many achievements. One of the first projects was an assessment of the current contraceptive situation with a focus on the public sector, although a small sampling of NGO and private sector sites were included. Thanks to the work of DAIA the Dominican budget now has a line item for family planning methods and the government signed an agreement with UNFPA to purchase contraceptives at the most economic prices, assuring regular supply in public clinics. DAIA has worked with donors to develop a single set of logistic forms and one information system for family planning methods. DAIA also got reproductive health included in the national accounts, making the DR the second country in Latin America and the Caribbean to do so.

USAID has also supported development and implementation of sustainability strategies in key NGOs that provide a substantial percentage of the quality family planning and reproductive health services reaching poor Dominicans and other vulnerable groups, such as adolescents, needing specialized services. All three NGOs have made significant progress toward sustainability. PROFAMILIA has had the most success in maintaining their sustainability of clinical services, community education, and quality youth reproductive health educational activities.

In 2000, the country's immunization program reacted to events and vaccinated children through campaigns, resulting in revaccination of the same children, dips and peaks in coverage and poor service provider data on vaccination coverage. A USAID funded assessment of the situation recommended that the country switch to a fixed vaccination site strategy that would capture children for vaccination anytime they contacted the public health system for preventive or curative care. This strategy combined fixed sites with community outreach to bring children into the system.

Dominican-Haitian Cross Border Programs

Haiti and the Dominican Republic have a long history as neighboring countries sharing the island of Hispaniola. This history is a complex mix of conflict and war, occupation and rebellion, and dictators and democracy. Today, uncontrolled migration of illegal workers from Haiti to the DR, driven by the radically different economic levels of the two countries, and unresolved economic and political problems still fuel tensions between Haiti and the DR. Yet, along the border, it is clear that both countries have much in common, such as communities living with extreme poverty and a lack of access to social services.

In 2003, USAID/Haiti and USAID/DR launched a pilot activity to help border communities focus on resolving their common issues and to reduce the causes of conflict and the competition for scarce resources. By “twinning” communities on the border, matching up pairs of Haitian and Dominican communities, the program promoted dialogue and cooperative problem solving with a focus on increasing trade and family incomes. Now other donors are following suit and are exploring work with twinned communities as a way of using abundant Dominican skills to help Haitian border communities, while enhancing cooperative efforts to improve the lives of those on both sides of the frontier. These first activities have helped to increase attention by the Dominican and Haitian governments and international donors on border issues. Increased focus is resulting in high level dialogue between the two governments on a series of development issues and has substantially increased donor flows to the border region.

