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## **1. EXECUTIVE SUMMARY**

The main political event in 2006 was democratic parliamentary and local elections, generally described as clean and free. The executive has since promoted constitutional reform, including a reduction in presidential powers, and a draft budgetary law has also been approved as part of this process. Significant reforms of the management of public finances have started in the framework of the Stand-By Arrangement with the IMF. However, governability, centralisation and the absence of a permanent professional civil service remain problems and there is concern about levels of corruption. The independence of the judiciary, in particular, calls for consolidation, although there are cases of impartiality and professionalism. Although the Dominican Republic is signatory to international treaties to protect human rights, there are cases of abuses by the security forces, poor standards in prisons and problems with immigrant workers.

Macroeconomic stability and stable growth have been maintained thanks to strict implementation of the arrangement with the IMF implemented since the beginning of the 2005. An essential element of this is a set of macroeconomic and structural policies designed to ensure price stability and revive sustainable growth. In 2006 the economy grew by 10.7%, the highest rate of the last 20 years, and inflation stood at 5%. Weak institutional capacity has been identified as one of the main obstacles to the country's development since it holds back the dynamism of the private sector and the efficient use of public resources. With its trade policy the government is promoting a diversification of markets and products. In spite of high levels of growth, poverty remains high. This persistent inequality is attributable to differences in the growth of income from employment, reduced average incomes and a reduction in purchasing power after the 2004 crisis, low productivity, the precariousness of many jobs, the shortcomings of the educational system and the failings of poverty-reduction policies and programmes.

9th EDF cooperation programmes: the education support project resulted in the identification of indicators and the formulation of a support programme for sectoral policies. In October 2006 the financing agreement for the General Budgetary Support Programme was signed and fulfilment of the general conditions for the first payment of €10 million was assessed, but not in time for payment before the end of the year. Implementation of the Institutional Support Programme for Public Finances started with the mobilisation of international technical assistance and the appointment of the project's national coordinator. The financing agreement of the Support Programme for Regional Integration was signed in September.

Eighth EDF programmes saw the fruit of earlier years' work (drawing-up of the strategic plans of several town councils) while implementation of systems that were already designed and tested (such as implementation of the penal system in a number of centres and programmes to train judges, magistrates and prosecutors). Pro-ETP continued with the equipping and fitting-out of centres in the second phase. SABAMAR, a scheme to rehabilitate marginalised districts of San Domingo finished in August 2006.

Noteworthy among the non-focal projects and programmes was the start-up of the Local Initiative Programme to aid non-state actors and the Disaster Prevention Programme (B). The second phases of the following projects started: the microprojects programmes, reconstruction of schools in the eastern region and SYSMIN. Implementation of the project of support for small enterprises (PROEMPRESA) continued, while that to support the competitiveness of the banana sector (PROBANANO) was wrapped up.

Devolution has meant a big increase in the number of transactions we carried out: in 2006 117 contracts and addendums were concluded for a total of €93.4 million compared with €35 million in the financial year 2005. There was also a marked upwards trend in payments (€29.2 million).

## **2. UPDATE ON THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION**

### **2.1 Political Situation**

Democracy and the rule of law have been consolidated since the mid-1990s in a political system with an acceptable level of legitimacy. In the last few years the democratic elections for the president, above all the parliamentary and local elections in 2006, have generally been free and fair. None the less, there were isolated incidents during the voting and the electoral campaigns were often marred by political violence. The capacity of the Central Electoral Board to supervise campaigns and regulate the financing of political parties. There is also increased participation by civil society in the monitoring of elections.

However, the effects of a long tradition of authoritarian power in running the public sector are still felt and further reform is still needed. The main problems to be tackled are the degree of centralisation and the vast powers accorded to the President (see Article 55 of the Constitution and the budget law). However, the executive has promoted constitutional reform, including a reduction in presidential powers, and a draft budgetary law was also approved in December 2006 as part of this process.

On the other hand, there is a very limited system of oversight by other areas of the government: a civil service that is not based on merit and is subject to large staff movements after each change of government, something that leads to an inefficient civil service that generally does not have the experience or the skills required to meet the challenges of a modern State and economy, and the lack of an efficient public procurement system or calls for tender, although in 2006 a new system for public procurement, contracting and state concessions was approved. A preliminary draft law to reform the civil service has gone before parliament. All this creates a perception in civil society that the function of the government is to grant favours or rewards rather than implement or provide services in accordance with objective rules and standards.

Since the 1990s the Dominican Government, civil society organisations and international bodies have voiced the need to appoint an Ombudsman as a guarantor of citizens' rights. The European Commission firmly supports the process for electing an Ombudsman via the PARME programme, in the form of publicity campaigns and consultancy services for organising the selection process. However, an Ombudsman has not yet been appointed, which has an impact on democratic governance.

The government's activities and presentation of accounts still lack transparency in spite of recent efforts to adopt a law on access to information and to set up a central audit institution. Poor technical skills in the public sector, obsolete or inadequate procedures, weak coordination processes, weak institutions with unclear or overlapping mandates all lead to a general lack of clarity and quality in regulatory frameworks, inefficiency in the implementation of the law and inadequate scrutiny by the legislature.

In recent years local government capacity has been consolidated with the continuing process of decentralisation and a significant increase in municipal budgets. In the Dominican institutional system, the Congress plays an independent role, as does the legal system, the Central Electoral Board, and, for external control, the court of auditors. Nevertheless, more political will is needed to strengthen the Dominican state.

The Dominican Republic is signatory to international treaties that protect human rights, with the exception of the Convention against torture and other cruel, inhuman or degrading treatment or punishment, which has been signed but not ratified. However issues such as unlawful killings by the security forces, poor prison conditions, long periods of detention without trial, and interminable delays in trials still persist. In 2006 human rights cases involving the treatment of migrant Haitian workers and their descendants living in the country were made public. There are frequent and widespread accusations of organised human trafficking across the border with Haiti with the complicity of public officials and the military on both sides, and of systematic abuse of the labour rights of Haitians in the sugar and other sectors. These issues feature each year in the US State Department's report on human rights.

There has been progress with implementation of a new model of prison, the new Code of Criminal Procedures and a new Code for the Protection of Children and Adolescents, and building the capacity of the government to provide help for victims.

The independence of the justice system has been consolidated; however, independence does not always mean impartiality or competence. Significant efforts have been made to strengthen institutions, in particular the Supreme Court of Justice and the Public Prosecution Office. The cooperation of donors has greatly helped the setting-up and staffing of bodies to train judges, lawyers, public prosecutors and mediators such as the National Judiciary School and the National Penitentiary School. Access to the legal system has also improved thanks to the support of civil society organisations for citizens. An issue of general concern is the implementation of legislation already adopted.

Officially corruption is outlawed but despite scandals about corruption there have been practically no convictions, meaning that there is widespread impunity. President Fernández hopes to make the country a model for the prevention of corruption and has set up a National Ethics and Anti-Corruption Committee to propose and monitor strategic measures in areas such as justice, the civil service, financial management and transparency. In the index of corruption drawn up in 2006 by Transparency International the Dominican Republic was 99th of the 163 countries listed, and given a score indicating rampant corruption. Furthermore, the results show a high correlation between corruption and poverty.

Despite the fact that the civil authorities have generally maintained effective control of the security forces, there have been cases in which members of the security forces have acted independently of authority or government control. Some members of the security forces have committed a number of abuses of human rights. Violence and the lack of security are perceived by Dominican society as one of the principal national problems. In 2006 special programmes such as the "Safe Neighbourhood" programme were implemented to combat this complex phenomenon, which is on the rise.

At regional level, the Dominican Republic has begun to take steps to improve its relations with neighbouring Haiti. Meetings have been held between the Presidents of the two countries and then with the Foreign Ministers. Both sides have expressed their interest in reactivating the Bilateral Joint Committee but no action has been taken on this. It is worth noting, however, that sectoral committees on health, environment and animal health meet to discuss specific cases and bi-national strategy.

As regards relations with CARICOM, senior officials from the Dominican Secretariat of State are participating more actively at regional level, which helps strengthen ties with the British Caribbean by encouraging moves towards functional cooperation, which is one of the Dominican Republic's chief interests.

Civil society at the level of NGOs and grassroots communities is active; it has a historical tradition of mobilising communities and collective organisations and plays a fairly major role in the country's public and political life. There are several very powerful organisations (Participación ciudadana, FINJUS, Foro Ciudadano), which are independent and have real power to influence public policies. However, there are just two or three such organisations – the rest are small and with very limited financial and human resources. There is a register of NGOs at the State Secretariat of Economic Affairs and Planning. However, this is fairly unreliable because of the high number of NGOs registered as there are so few controls on setting up NGOs. There are also shortcomings in the monitoring system and presentation of accounts of NGOs. Trade Unions, apart from the transport sector, are weak and poorly equipped to negotiate with employers. On the other hand, professional organisations (College of Physicians, Teachers' Associations) defend their positions to the hilt and make their voices heard by the authorities. The Catholic Church plays an important role in mobilising the masses and shaping public opinion through constant declarations and appearances by senior figures in the country's media.

## **2.2 Economic Situation**

The Dominican Republic has the largest economy in the Central America/Caribbean region with a GDP of €29.3 billion in 2005. Its per capita GDP places it in the middle-income category, a little lower than the CARICOM countries and above the countries of Central America. After the severe economic crisis of

2003/2004 macroeconomic stability was restored and the country returned to the stable growth that it had known throughout most of the 1990s, thanks to strict adherence to the IMF Stand-By Arrangement, implemented since the beginning of the 2005. An essential element of this refund stability is a set of macroeconomic and structural policies designed to ensure price stability and revive sustainable growth. The macroeconomic figures have improved markedly. In 2006 the economy recorded growth of 10.7%, the highest in the last 20 years and one of the highest in the hemisphere. Inflation for that year stood at 5%. Forecasts for 2007 are for 6% growth in GDP and inflation of 4.8%. However, the IMF predicts a small slowdown in growth in 2007 and 2008 with rates of 4.5% and 4.5% respectively. The deficit on the current account in 2006 was 2.4%.

Services are the strongest sector of the economy, accounting for two-thirds of GDP and employment. In recent years growth rates have been particularly high in communications and in tourism-related services such as transport and hotels and catering, which mobilised a considerable volume of imported and domestic goods. The trading surplus in services, in particular tourism, is a major earner of foreign exchange. The Dominican Republic has a big manufacturing sector, split among free zones specialised in exporting textiles, jewellery and electronic products, and sectors outside the free zones that process food for the domestic market. The contribution of agriculture to GDP (11%) is falling but it remains a big employer.

Domestic industries and foreign investment in the economy outside the industrial free zones suffer as a result of number of shortcomings in the business environment. The Dominican Republic is ranked 102 of 155 in the World Bank's 'ease of doing business' index (Costa Rica is 22nd and Jamaica 45th). There are specific shortcomings in areas such as facilities to start up in business, investment protection, contract performance and winding up businesses. Surveys show that investors cite government regulation and taxes as the greatest obstacles.

Indicators of the effectiveness or efficiency of the government, the quality of regulation, the rule of law and control of corruption do not give good results for the Dominican Republic. Apart from telecommunications, efficient regulatory systems are still being developed. A competition policy has been on the drawing board for some time but no specific law has yet been adopted. Competition rules do, however, exist in other legal frameworks, i.e. the constitution and the intellectual property law. Weaknesses in institutional capacity have been identified as one of the main obstacles to the country's development since they hold back the dynamism of the private sector and the efficient use of public resources. The management of public finances suffers from serious deficiencies in organisation, methodology, regulation and human resources.

The Dominican economy is moving towards a greater opening to, and role for, the private sector, including sectors such as transport, energy, information technologies and communications. Communications is one of the strongest sectors of the Dominican economy. For example, it has grown to an average rate of 20% since 1995, reaching 26% in 2006.

However, persistent power problems, due to an incapacity to assure the system's financial viability, do not show any signs of improvement and these added costs place a burden on public finances and severely impact on the country's competitive position. Around half the electricity invoiced is not paid and the distributors have made little progress in improving the situation. The sector's debts, including the government's debt, exceed US\$ 500 million: the generating companies are undercapitalised and in some cases unable to buy the necessary fuel.

The country has adopted a trade liberalisation strategy with most of its trading partners, participates in multilateral forums and has bilateral free-trade agreements with many of his neighbours and leading trading partners. However, Dominican industry exports little. The relatively protected domestic markets offer companies high profits and place obstacles in the way of exports: lack of information, complex bureaucracy and taxes on exports. Trade in the Dominican Republic has expanded more slowly than world trade generally. The United States is the dominant trade partner with 80% of exports and 50% of imports. Trade with the EU has increased in volume but fallen as a percentage of the total (currently some 10%). Trade with the CARICOM countries is limited (0.9% of exports, 2% of imports) but as a proportion it is rising.

The government plans to diversify markets and products hand in hand with its liberalisation policy for several trading partners: the United States, Central America, the Caribbean and the European Union (Economic Association Agreements). To take advantage of access to these new markets it will be necessary to implement a long-term competitiveness strategy so that companies produce goods and services for export. The Dominican government is in the process of designing and formulating the National Competitiveness Plan and sending to Congress draft reform laws designed to improve the business environment.

The above is clearly seen in the resolute support by Dominican diplomats for establishing the EPA - their attitude is more progressive than that of their CARIFORUM partners and they are prepared to make bigger concessions as this agreement promises better conditions than the DR-CAFTA. This is part and parcel of the diversification of Dominican foreign trade and the so-called "economic and commercial sovereignty".

Remittances have increased in recent years and partly compensate for the deficit on the current balance-of-payments account and foreign reserves as a result have grown following a positive flow of foreign capital. Although remittances help to mitigate poverty, they have little direct impact in reversing trends or a propensity to poverty. 20% of families with high income receive 40% of remittances, while 20% of families on low incomes receive only 14%, according to the World Bank. However, international transfers are a crucial source of income for poor families, reaching on average 60% of total income.

In 2005 the official unemployment rate stood at 17.9% of the active population, one of the highest rates in Latin America, although it should be remembered that over 50% work in the informal sector, so the social significance of the figures is difficult to interpret. Low incomes are the result of low productivity, not of obstacles on the labour market. High unemployment is common to both rural and urban areas, and young people and women suffer particularly from a lack of job prospects. Low labour productivity is a result of poor education and training, in turn the consequence of an inadequate education system and administrative and financial problems. The government has set itself the ambitious goal of creating 500 000 jobs during its term of office. Progress is mixed. In any case, it is clear that growth is not being translated into jobs. The ratio of GDP growth/jobs has fallen from a low 0.67 to 0.22. These inequalities in income and the lack of access to basic services are potential sources of social and macroeconomic destabilisation.

### **2.3 Social situation**

In 2004 42 of every 100 Dominicans lived in poverty, 16 in every 100 in extreme poverty. In the same year 20% of the richest families received 56% of the national income, while the poorest 20% received only 4%. Income inequality has remained close to the average for Latin America and the Caribbean (LAC) over the last seven years (Gini coefficient of 0.52); the region itself is the most unequal in the world. According to the World Bank and the Inter-American Development Bank, the limited poverty reduction at the end of the 1990s, subsequent sharp fall in incomes and persistent inequality is attributable to the unequal growth in labour income, the reduction in average incomes and the loss of purchasing power after the crisis of 2003, the low productivity and precariousness of many jobs, the shortcomings of the educational system and the shortcomings of poverty policies and poverty reduction programmes. The trend in terms of proportion of the population living on less than \$1 per day (MDG No. 1) is variable – after a dropping to 5.5% in 2002, which persisted in 2003, there was a marked improvement in 2004 (3.0%).

There are considerable problems with social cohesion, unemployment and gender. In common with other countries of the Caribbean, women account for more than 50% of university students and young professionals (the proportion is from 1.68 to 1.0). However, their participation in the workforce remains lower than that of men, with an unemployment rate of 26% for women and 9% for men (ECLAC). The wages of women are on average 30% below those of men. There is still no equal representation in government, the legislature or senior positions in the administration: women account for three of the 19 secretaries of state, two of 32 senators, 24 of 150 deputies, 13 of 147 mayors, five of the 16 judges of the Supreme Court, but 43% of employees in the justice system. The unemployment rate is 26% for women and 9% for men (ECLAC). There is definitely a "glass ceiling". The IOM has identified major problems of trafficking in women for the sex industry, often linked with the drugs trade both in the region and in Europe. The latest findings of the

Committee on the Elimination of Discrimination against Women (CEDAW) in July 2004 point to the Dominican Republic's efforts to design a national plan for gender equality. However, the Committee notes that this plan is encountering many implementation problems and there is no system for monitoring it. According to the Committee, the Dominican Republic must develop and apply a general poverty eradication policy that mainstreams gender and gives special attention to households supported by women (33%). In particular, the Committee highlights the improvements that the country must make in terms of eliminating the sexual exploitation of women, stepping up sex and reproductive education, protecting women with HIV and guaranteeing equal opportunities for men and women on the labour market.

In the social sector there has been progress in education, especially in the gross enrolment rate in primary and secondary schools but problems related to the quality of education, the effectiveness of the educational system, school infrastructure and the quality of the teachers remain. This is reflected in a high repeat rate; on average a Dominican child who finishes secondary school has been in school 3.5 years more than the number of course years. This problem is more pronounced among boys, children in rural areas and the poorest sections of the community.

As to health, problems related to preventable diseases that affect the most vulnerable sections of society persist. This is due to the bad living conditions in marginal urban and rural areas where there is little education about health and the environment and very limited access to good quality basic services – lack of water, accumulating waste, floods, etc. The poor quality of public health services particularly affects the poor, who are the principal users of public health centres since private medical services are very expensive.

There is a national plan to fight AIDS/HIV under a Presidential Commission against HIV/AIDS (COPRESIDA), which shows there is the political will to tackle this major problem, but national resources are limited, although they are coordinated with the funds from donors and lenders. The 2004 report on human rights (US State Department Report) notes the discrimination against women with HIV in the Dominican Republic.

Many children (up to 25% in some areas) are not registered, and this has become a difficult and sensitive issue over the last few years because of increasing migration. Unregistered children and the children of Haitian immigrants suffer from exclusion by social services and poor access to their rights. The new code for the protection of the fundamental rights of children and adolescents (Law 136-03) aligns Dominican legislation on the UN Convention on Children's Rights, which is a major step forwards, but its full implementation requires the strengthening of administrative, legal and other structures.

The poor quality of public social services is linked to the low level of expenditure, the absence of a comprehensive social policy and shortcomings in the management of public spending. Expenditure in the social sector (especially in education, 1.9% of GDP, and health, 1.5% of GDP in 2005) has recently received greater attention in political debate but it is still well below the Latin American and Caribbean average, and is inefficiently used. Since the presidential election in 2004 the new government policy has been to strengthen social protection and establish a targeted social assistance system for the purchase of food, medicines and school equipment. The social programme must also facilitate the beneficiaries' access to identity documents. The lack of identity documents is a daily problem for the poor.

## **2.4 Environmental situation**

The Dominican Republic is exposed to several types of natural risk, in particular hurricanes and tropical storms, tsunamis, floods, landslides, forest fires and earthquakes. According to the UNDP report "Reducing Disaster Risk: A Challenge for Development", the Dominican Republic is highly vulnerable to hurricanes, followed by Haiti. This means that the island of the Hispaniola is the most exposed to cyclones in the whole Caribbean region. Deforestation and soil degradation are a big problem for both countries.

The fact that there are some 400 rivers and 60 river basins in the country makes it very vulnerable to flooding. This type of natural risk is the most frequent and occurs every year. Although there is no record of these recurrent small to medium-sized floods, their accumulated physical and human impact is equivalent to a disaster of the highest scale. The vulnerability of populations living along river banks is increased by the

uncontrolled mining of industrial aggregates by firms known as "granceras" whose greed for extracting material from the rivers is fuelled by high demand from the construction sector and the possibility of making big profits with little investment. Although there is environmental legislation governing this activity, it has not been possible to apply it.

The country is also exposed to major earthquake risks since it lies on the Caribbean tectonic plate, whose fault zones run east to west across the island. National geological mapping on a scale of 1/50 000 has shown considerable neo-tectonic activity. This type of danger is always a major threat, which is in part scientifically predictable and can only be countered by early warning systems and strict application of proper anti-earthquake legislation. The seismicity resulting from regional tectonic activity could cause a terrible disaster on the island of Hispaniola.

The impact of forest fires is a growing concern. Practically all fires are manmade. In 2005 alone the country recorded 244 forest fires, affecting a surface area of some 3 000 hectares. The majority of forest fires occur in the Cordillera Central and the Bahoruco Sierra mountain ranges, in or near protected areas during the dry season (February-April and July-August). They also coincide with the periods when the local farmers prepare the land by means of agricultural burning.

According to records for the period between 1962 and 2005, 5 815 forest fires were reported, which affected some 4 894 464 hectares (307 828 hectares). An analysis of cases of forest fires in the country shows that the forest area swept by fire each year accounted for 0.14% of the national forest area for the period 1961-2005. As a result of this, a forest fire prevention and contingency plan was set up in 2006. Forest fires are also a direct source of CO<sub>2</sub> emissions into the atmosphere, one of the "greenhouse gases" whose reduction is a priority goal of the Kyoto Convention (UNFCCC). Unlike other countries, which have successfully applied the Montreal Convention, the consumption of substances that deplete the ozone layer has risen in the Dominican Republic, particularly HCFCs (hydrochlorofluorocarbons), whose use increased from 0.23 tonnes to 0.58 tonnes between 1995 and 2005.

According to ECLAC's "Statistics on natural resources and the environment" for 2006, whereas the surface area of land under permanent crops in the Dominican Republic remained at 500 000 hectares between 1995 and 2003, the consumption of pesticides (fungicides and bactericides) increased from 716 tonnes in 1995 to 3 069 tonnes in 2001 and the use of pesticides-insecticides went from 686 tonnes to 900 tonnes during the same period. This rise was reflected in the 2007 ban by some Member States on access to their markets of certain Dominican agricultural products because their residue levels of pesticides exceeded the limits for human consumption.

However, during 2006 the country did not experience any natural disasters and any small, insignificant earthquakes may have served to release pressure along some fault lines.

During that year a "hot spot" of environmental pollution was identified in the locality of Haina, caused by the longstanding operation of a factory making vehicle batteries in the Paraíso de Dios neighbourhood; the managers discharged industrial waste into the river Haina and into the ground. Hundreds of children in this area are suffering the consequences of high levels of lead in their blood. Following a major international outcry, decontamination of the area has just begun.

The little that is done by way of prevention and not very effective remedial measures raise pollution risks and presumably worsen public health conditions, with an increase in morbidity and mortality directly related to soil, water and air pollution, which go unnoticed or are poorly reflected in the available statistics.

### **3. OVERVIEW OF PAST AND ONGOING COOPERATION**

The 2002-2007 Cooperation Strategy Paper was drawn up jointly by the European Commission and the Dominican Government, with the active participation of civil society and non-state actors. The final version was submitted to the 15 EU Member States for approval at the meeting of the EDF Committee in April 2002.

The official signing by both parties took place at the ACP-EC Ministerial Conference in Bávaro in June 2002, taking advantage of Commissioner Poul Nielson's presence in the country.

This 9th EDF Strategy Paper lays down the priorities for cooperation and the choice of sectors in which Community support is concentrated. The two focal sectors are education and water. During the mid-term review of the strategy support for the water sector was abandoned because of the slow progress in reforming the legal framework and management of the sector, considered to be prerequisites for the effectiveness and efficiency of Community aid. At the request of the Dominican Government, the same amount, €53 million, has been allocated to support the macroeconomic reforms negotiated and agreed with the International Monetary Fund. This programme includes institutional support for public finances, budgetary support and support for regional integration.

In short, the initial aims were achieved by using the resources available more rationally and effectively. The projects and beneficiaries of Community external aid have benefited not only quantitatively but qualitatively from this process by having clearer, more modern and effective mechanisms based on strict adherence to the current rules.

Indeed, devolution has greatly increased the number of transactions and amounts executed when the results are compared with periods prior to devolution, in particular the financial year 2005. So, for example, in 2006 117 contracts and addendum were concluded for a total of €93.4 million against €35 million in 2005.

This substantial improvement is confirmed in the payment transactions: 309 payments were made in 2006 for a total of €29.2 million against 433 payments for a total of €27.4 million in 2005. All eligible payment requests initiated by the Delegation were carried out within 18.8 days on average from the date of reception by the Delegation.

71 secondary-level decommitments totalling €6.7 million were recorded and 13 primary commitments for €6.9 million were closed.

The figures for the outstanding balances of old projects (old RAL) were also positive. These balances were reduced by €25 million for a possible re-use of some €17.6 million.

### **3.1. Focal Sector Education (€53.7 million under the 9th EDF and €13.25 million under the 8th EDF)**

#### **(a) Results**

Implementation of the Support Project for Education, Phase I (technical assistance) resulted in the identification of indicators and the drafting of the financing agreement for Phase II (payment) that was signed in 2006.

Under the 8th EDF the support programme for vocational technical education (Pro-ETP) continued with publication of the call for tenders to equip centres included in the second phase and contracts were signed; there were also tenders for works to adapt the centres to be equipped, and work on curriculum development activities and guidelines for the preparation of the ETP Strategic Plan continued.

#### **(b) Progress in implementation**

The main activities of the Pro-ETP programme were the starting-up and delivery of works and equipment to the four centres included in the first phase and the call for tenders for works to adapt and equip centres for the second phase. An addendum to the financing agreement for €1.7 million was also approved; this concerned a new centre for the second phase (Institute Agrómico S Ignacio of Loyola of Dajabón), the adapting and equipping of which will be implemented mainly with funds from the government and other donors; the addendum also extends the FA by a year in order to ensure that all the works are finished, the equipment is working and the directors and teachers of the centres properly trained in their administration and the introduction of the new curricula. The works procurement was delayed owing to a lack of interest on the part of local contractors, so the tender procedures had to be started again for several centres.

Institutional development: there were two short-term consultancies for the development of a National Framework of Employment Skills (June-July 2006) and another for the organisational development of the

DGTP (May-June 2006); support for the Interinstitutional Committee to develop the Strategic Plan for Vocational Technical Education and the curricula of the special subjects covered by the programme.

Support programme for education

The project to give technical assistance to the Secretariat of Education (9 ACP DO 10, €3.8 million) began implementation in March 2006 with the arrival of three long-term experts: coordination, teaching and budgeting. Other short-term consultants joined the team in the course of 2006 to cover areas such as the Presidential Forum for Educational Excellence, the reorganisation of the State Secretariat of Education and operational planning. The Secretariat also began preparation of the first Annual Work Plan covering activities such as training and qualifications, furnishings, vehicles and computer equipment.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>Pro-ETP (8 ACP DO 19 &amp; 9 ACP DO 16)</b>	14.95	12.11 (81%)	8.2 (55%)
<b>Education (9 ACP DO 10)</b>	3.8	2.5 (66%)	0.46 (12%)
<b>Budget support to education sector (9 ACP DO 18)</b>	48.2	0	0

**(c) Degree of integration of horizontal themes such as environment, gender and institutional capacity-building**

For cooperation in the education sector it is planned to use indicators for the ratio of girls and boys completing each level of education (infant/basic/secondary/university). This programme is also closely linked to the institutional strengthening of the Secretariat of State for Education and it will also affect state institutions concerned with the budget and the development of sectoral policies (Secretariats of Finance, Planning and Higher Education and Infotep).

Non-state actors, a group made up of various civil-society associations and institutions, are fully involved in the dialogue with the government authorities via a coordination body on education set up to implement the support programme for civil society initiatives (PRIL), which has specific funding to complement governmental actions through education subprojects. In this way it can influence in the crosscutting themes concerning the environment, gender and institutional capacity-building.

**3.1.2. Focal sector: Macroeconomic support (€53 million under the 9th EDF)**

Following the 2004 mid-term review €53 million was allocated to support macroeconomic reforms agreed with the IMF. This programme includes institutional support for public finances, budgetary support and support for regional integration. The principal goals of the macroeconomic reform programme are set out in Annex III. The objective of the Support Programme for Regional Integration is to prepare the country for implementation of the EPA, creating institutional capacity in the Dominican government to manage trade agreements and support and enhance implementation of the FTA with CARICOM.

**(a) Results**

According to the IMF, the macroeconomic outlook is good. Growth is solid, inflation is under control and the rate of exchange of the Dominican peso is stable. Fiscal measures include a reform to increase revenue and efforts to recapitalise the Central Bank; the public debt is sustainable. It has been proposed to extend the IMF Stand-By Arrangement by 10 months to 31 January 2008. The last IMF mission in November and December 2006 led to agreements on measures to be completed under the 5th and 6th revisions as measures subject to approval by the IMF Executive Board, which was given in February 2007.

Public-finance reforms are continuing with the approval of a package of laws that establish the legal framework for public finances, including the treasury, public debt, budget, public procurement, plus the implementing regulations for the first two laws. There have been practical efforts to implement these laws, in particular concerning public procurement, with training for staff of the ministries concerned and publication of invitations to tender in the press. Development of the SIGEF financial management system continued, including procurement modules and projects with external financing. The political dialogue with donors was given a fillip by the creation of a Coordination Forum in December. The government agreed to a PEFA study (Public Expenditure and Financial Accountability), which was carried out in 2007.

The political dialogue between the Commission and the government has improved greatly. The most tangible evidence are the meetings held in the third quarter of 2006 on the general macroeconomic situation, implementation of the 2006 budget and preparation of the 2007 budget. The budgetary implementation reports were put at the disposal of the Delegation following the signing of the financing agreement until October 2006. The 2006 annual reports have been requested, but there have been delays in presenting them.

### **(b) Progress in implementation**

The programme for **general budgetary support** was obtained a favourable opinion from the EDF Committee in July 2006 and was signed in October 2006. The next step was to evaluate fulfilment of the general conditions laid down in the financing agreement for the first payment of €10 million. The process of exchanging information between the national authorities, the Delegation and headquarters went too slowly for payment of the amount in 2006. For the second payment it will be essential to step up the political dialogue on the macroeconomic situation and the reform of public finances, plus effective implementation of all laws approved as part of the process of modernising public management, which will have big influence in the variable allocation of budgetary support.

Procurement of international technical assistance for the Institutional Support Programme started in the first half of the year and the contracted was awarded in August. Implementation of the project started in November 2006 with the appointment of the project's national coordinator and the integration of long-term international technical assistance into four of the beneficiary institutions: the directorates for the budget, accounts, public procurement and the accounts office, plus TA for EDF management and procedures. After an initial period of design and dissemination of the project among the parties involved, the first, six-month budget programme is being drawn up. The annual budget programmes of the four institutions referred to above are also being prepared.

Preparation of the Support Programme for Regional Integration (ISPRI) was concluded; the proposal received a favourable opinion from the EDF Committee in June and the financing agreement was signed in September. The procurement of international technical assistance started with the publication of the pre-information notice in November and drafting the descriptions of the Dominican staff coordinating the reforms within the institutions conducting trade negotiations (Secretariat of State) and implementing trade agreements (Secretariat of Industry and Trade).

Other donors involved in the macroeconomic support programme and management of public finances are: the IMF, IDB, the World Bank and USAID. All adhere in their programmes to the conditionalities of the IMF programme and are supporting them with a number of projects either under way (IDB/PAFI) or in the pipeline (World Bank/US for public procurement and the strengthening of controls).

<b>Figures in € million</b>	<b>Primary commitment</b>	<b>Secondary commitment to 31/12/06</b>	<b>Payments at end of 2006</b>
<b>Budgetary support (9 ACP DO 17)</b>	38	37.6 (99%)	0
<b>Support for public finances (9 ACP DO 11)</b>	10	3.7 (37%)	0
<b>Support for Regional</b>	5	0	0

<b>Integration (9 ACP DO 14)</b>			
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**(c) Degree of integration of horizontal themes such as environment, gender and institutional capacity-building**

The main focus of the two programmes for public finances and regional integration is institutional capacity-building. The aim is to set up, support and strengthen institutions responsible for managing public finances, from the preparation and implementation of the budget to the monitoring of its implementation, plus the institutions charged with negotiating and implementing trade agreements, above all the EPA. Gender has been taken into account in both programmes and care will be taken to apply equal opportunities policies in the public sector.

**3.1.3. Focal sector: social (€1.5 million under the 9th EDF and €33.8 million under the 8th EDF), environment – sanitation (SABAMAR)**

**(a) Results**

The sanitation programme for marginal neighbourhoods in Santo Domingo (SABAMAR), allocated €21.8 million plus €1.5 million under the addendum of August 2006.

**(b) Progress in implementation**

SABAMAR: The last months of project implementation before closure in August 2006 were devoted to completing some infrastructure, transferring works and equipment to the local authorities (National Authorising Officer, the Santo Domingo water authority and town councils), consolidating community waste-management bodies supported by the programme, and the gradual winding-up of the Technical Management Unit.

Figures in € million	Primary commitment	Secondary commitment end of project	Payments end of project
<b>SABAMAR (8 ACP DO 18 &amp; 9 ACP DO 12)</b>	23.3	20.53 (88.1%)	20.53 (88.1%)

**(c) Degree of integration of horizontal themes such as environment, gender and institutional capacity-building**

SABAMAR is a purely social programme with the active participation of grassroots communities in the intervention neighbourhoods; many of these community leaders are women and the programmes are striving to ensure their participation and get female participation on the administrative boards of the community waste collection enterprises. The overall objective is environmental sanitation. Most of the works were carried out under the supervision of the *Corporación de Aguas y Acueductos* (CAASD), which will be responsible for maintaining the infrastructure at the end of the programme.

At the end of 2006 the terms of reference were drawn up for the final evaluation and its implementation was awarded under the framework contract system. The team of evaluators will begin work in January 2007.

**3.1.4 Focal sector: Reform of the state (€1.25 million under the 9th EDF and €29.5 million under the 8th EDF)**

**(a) Results**

The objective of the Support Programme for Reform and Modernisation of the State (PARME) is to design and implement sectoral and institutional reforms to strengthen democracy and respect for citizens' rights and to improve the management of the civil service. The success of this project depends on the will at the highest level to carry out the reforms expressed through political support to the institutions charged with designing

and implementing the reforms. Such support has not always been translated into practice, something that has paralyzed or delayed reform in some areas. For this reason, the programme has been extended until June 2008.

Generally, the reform of the justice system has chalked up successes in all areas. From a regulatory point of view, the first step towards a law on administrative disputes was the approval by Congress of the transitional law on judicial review of the administrative activities of the state. However, the most important step, the submission of the draft law by the executive, has not yet been taken. To defend the rights and freedoms of citizens, the regional justice and citizenship councils have been supported and strengthened as a way of increasing popular participation in justice reform and improving access to justice. The National Office for Care of Victims has also been strengthened. The new prison system compatible with human rights, which was developed with the project's support, has been introduced in a further six centres, bringing the number of reformed centres to 10. Despite the support given via the PARME programme for appointing an Ombudsman, this has not yet happened. The construction of the children's centre in Santiago started in October 2006. In parallel with the centre's construction a start has been made to the work of drafting management manuals for the children's centres.

Regulation of the public administration: in December the Congress approved a law for the planning and investment system which stipulates that the ONAP become an independent institution and that a draft law on the public administration be presented in six months. The programme, together with the ONAP, proceeded with the revision of the law on the public administration. The preliminary draft of the basic law on the public administration will have to be revised in the light of recent constitutional reforms. The capacity-building of the ONAP and the INCAT continued. Support also started for new institutions such as the Secretariat for External Relations (SEREX), the General Archives of the Nation (AGN) and Institute of Innovation in Biotechnology and Industry (IIBI).

The Fund to help implement decentralisation is fully operational. Its success has exceeded expectations: 110 projects were received, of which 73 were selected for EDF financing, plus around four to 10 others for government funding. Institutional capacity-building projects (4) are also under way, as are many of the works projects. The only thing remaining is the tender procedure for the bridges, which has been delayed by the soil studies (delayed in turn by the need to issue a second call for tenders after the failure of the first). All the works projects have institutional and social components as well.

### **(b) Progress in implementation**

In its fourth year of implementation the programme saw the fruit of earlier years' work (drawing-up of the strategic plans of several town councils) while implementation of systems that were already designed and tested (such as implementation of the penal system in a number of centres and programmes to train judges, magistrates and prosecutors) continued.

There was clear progress in training judges and magistrates. The ENMP's initial and special training programme was pursued successfully, with a 9th generation of graduates. In terms of progress towards a penal system compatible with fundamental rights, it is important to mention that follow-up of the inmates' legal cases is improving: the number of hearings has increased.

There has been progress in implementing the law on access to information approved in 2004. Implementation has been helped by the setting-up of Information Access Offices and contracting in the services of a consultant to prepare a proposal for a governing body for this law. The dissemination of CAF methodology to improve the quality of services and overhaul the public administration continued and the 2nd National Quality Prize was awarded at the end of the year.

The decentralisation component continued with capacity-building for town councils in the form of training in management, planning and statistics, plus support for the preparation of participatory budgets (support was given for the drafting of the indicative plan of the Santo Domingo metropolitan area and institutional support for FEDOMU (strategic plan and documentation centre) was concluded. The introduction of SIFMUN (municipal finances system) and technical assistance to city councils already using it continued. There was

little progress at regulatory level in spite of political declarations in favour of decentralisation. Both draft laws (municipal organisation and general participation) have been submitted to the Chamber of Deputies, and a Municipal Affairs Committee has been set up in the Chamber.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>PARME (8 ACP DO 14 &amp; 8 ACP TPS 57 &amp; 9 ACP DO 19)</b>	30.75	27.94 (91%)	18.9 (61.7 %)

### C) Degree of integration of horizontal themes such as environment, gender and capacity-building

Reform and Modernisation of the State: the design and implementation of the activities is based on two basic concerns: the strengthening and participation of civil society and promotion of gender policies. So civil society was prompted to become active in municipal matters. The civil society forum made a proposal for incorporating gender into the basic municipal law currently before Congress. Continuous monitoring systems (internal and external) have been set up with detailed and specific indicators that cover both aspects. Environmental aspects have only a marginal impact in this sector.

#### **3.2 Projects and programmes outside focal sectors**

Support programme for the Office of the National Authorising Officer (€0.8 million): During first half of the year the second work programme was implemented; this was the first effective implementation since the first programme was blocked because of the delay in one of the recovery orders. Until August implementation of the second programme covered the acquisition of equipment, technical assistance for human and financial resources and training in management of projects, EDF procedures and monitoring. At the end of August the third and last work programme started up (in accordance with the rule of date + 3). 50% of the budget has been allocated for the setting-up of a computer network and the modernisation of communications equipment. Technical assistance is being given for planning, internal management processes and EDF procedures. Technical expertise in further training has been made available. Over the year assistance was given to improve management of the documentation centre and to refit the ONFED offices, which were completed and opened in the second half of the year.

**Technical Cooperation Facility** (€2.9 million): identification, preparation and formulation of programmes to be financed by the EDF and general support for the development of the cooperation programme. Technical assistance was contracted to support implementation and monitoring, including procurement procedures; audits and evaluations of other projects and programmes were financed and seminars/training courses were organised and financed to improve the understanding of the actors and authorities involved in cooperation on development, trade, etc. matters. This was managed under specific agreements and direct administrative management with a programme budget running from May 2006 to May 2007.

€4 million for contributions to programmes with regional impact, in particular in the area shared with Haiti. It was thought that such a small financial grant would not have much impact on the two countries unless there was a common cooperation strategy. To this end, the EC Delegations and the NAOs of both countries jointly launched a "binational strategy" study to produce guidelines for possible interventions with impact on both countries in the short and medium term (post 9th EDF). The draft final report of this study was received at the end of 2006 and both Delegations met in Santo Domingo in December 2006 to exchange points of view; they decided that the next step would be to offer the authorities of both countries support for a technical secretariat to serve the bi-national Joint Committee that with the official approval of both governments could decide on the priority areas of bi-national cooperation and draw up proposals for EC financing under the 10th EDF (under the NIPS and RIPS). They also decided to tender for an expert (framework contract) to help both Delegations in the drafting of a proposal to the Joint Committee.

The report recommends support for the bi-national Joint Committee in the form of a technical secretariat or similar to help formulate programmes of mutual interest and it identifies the following topics as elements of this: trade, environment, land-use planning/infrastructure, connection of electricity networks and water supply systems at the border, regulating migration and education (exchanges and university collaboration).

**Support project for small businesses - PROEMPRESA (€98 million):** 2006 saw the consolidation of the Bond System for Development of Business Services with the Central Agency placing 7636 bonds, of which over 60%, worth almost DOP 12 million, for technical assistance and the remainder, also worth some DOP 12 million for training. The system is considered sustainable thanks to the role and active interest of INFOTEP. Specific agreements have been signed with employers' associations to implement the components to promote business associations and a propitious business environment. Negotiations are under way with the National Competitiveness Board for it to participate in running of these components to ensure not only non-EU funding but also the sustainability of the project. The mid-term review of the programme, carried out in mid-2006, gave not very encouraging results concerning the causes of the delay in reaching the programme's objectives.

**Support programme to make the banana sector competitive - PROBANANA (€1.65 million):** The banana competitiveness programme finished in March 2006. The results reported in the final evaluation were not very encouraging concerning the sustainability of the actions carried out by the programme and one of the most important factors for the sector's competitiveness, namely financing, was not covered. The experimental plantations are still being supported by JAD and the IDIAF, and extension work is being carried out by the SEA. The evaluation concluded that the substantial increase in exports to the EU over the last few years was attributable to factors external to the project. The project is being wound up.

**Reconstruction of schools in the East region of the Dominican Republic - Phase 2 (€1.96 million):**

This programme is a continuation of the previous project of the same name. The expected result is to complete the works for 30 schools that could not be finished under the previous financing agreement. In 2006 the process of approval and signing of the financing agreement was completed.

**Microprojects programme II (€7 million):**

The PMR-2 is the second microproject programme to be implemented in the border area of the Dominican Republic and has the overall objective to improve the living conditions of the poorer rural communities in the border area by increasing access to basic socio-economic services, building the capacity of community and intermediate organisations to take joint local action so as to make better use of existing resources and potential. A revamping of the programme that led to its being extended until 2009 has given it fresh impetus. After the first three years of operation only €1 million had been invested, and of that only half in operational projects. By the end of the year progress had been made in simplifying the appraisal of microprojects, prioritising investments in projects with high social yields and improving the management instruments of the technical management unit. In less than a year, up the end of the 2006, the total spent could rise to €1.8 million. At the end of 2006 24 microprojects were under way, including six aqueducts, seven schools and seven productive pieces of infrastructure. Also financed were rural clinics, community centres, sports fields, risk-prevention works and ecological projects. Some 13 projects have been approved for implementation and are on the drawing board.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>Support for NAO (9 ACP DO 01)</b>	0.8	0.78 (97.5%)	0.46 (57.5%)
<b>Technical Cooperation Facility (9 ACP DO 08)</b>	2.9	2.37 (81.7%)	1.37 (47.2%)
<b>PROEMPRESA (8 ACP DO 22)</b>	9.8	8.08 (82.5%)	4.45 (45.5%)

<b>PROBANANA (8 ACP DO 21)</b>	1.65	1.62 (98.1%)	1.46 (88.5%)
<b>Reconstruction (below) (8 ACP DO 17)</b>	6.5 (decommitted -1.67)	4.83 (74.3%)	4.83 (74.3%)
<b>Schools in East (8 ACP DO 13)</b>	7.2 (decommitted -3.84)	3.36 (46.7%)	3.36 (46.7%)
<b>Schools in East (9 ACP DO 013)</b>	1.96	0	0
<b>PMR II (8 ACP DO 27)</b>	7	6.06 (86.7%)	2.33 (33.3%)

### **3.3 Use of resources by non-state actors**

#### **Programme of local initiatives - PRIL (€7 million): aid for non state agents of civil society**

##### (a) Results

The TMU was set up and it prepared an Initial Work Plan (PPI) and the First Annual Work Plan (PPA, August 2006 to August 2007)

Presentations and information campaigns were carried out in Santo Domingo, Santiago and provinces given priority.

##### (b) Activities

Call for tenders for equipment for the TMU (vehicles, computers, etc.), tendering and contract-award for most of the TMU's technical and administrative team (deputy director, employees of the suboffice that will be opened in Azua and Santiago). Information meetings with the main NGO networks. Identification of FONDESIN (grant fund with five lines according the programme's results and activities). The first draft of the first call for grants likely to be published in the first quarter of 2007.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>PRIL (9 ACP DO 09)</b>	7	1.7 (24.2%)	0.64 (9.1%)

Section 3.5.4 gives information about various initiatives and programmes implemented by non-state actors with financing from these budgetary lines.

### **3.4 Use of the B envelope**

In September 2004 Hurricane Jeanne hit the country, causing serious damage to people, economic activities, the natural environment and infrastructure. The passage of Hurricane Jeanne brought about the collapse of bridges and landslides leading to the complete isolation of some parts of the country, while in others communications were badly affected. In view of the emergency situation and at the request of the Dominican Government, the EC decided to allocate aid of €10 million for the reconstruction of road infrastructure and the preparation of a programme of disaster preparedness and prevention (6.5 million).

#### **Reconstruction of road infrastructure (€10 million, ACP DO 20)**

The Financing Proposal has been drawn up and was sent to the AIDCO QSG at the end of 2006.

#### **Disaster preparedness (€6.5 million)**

The programme aims to set up information systems on the risks of natural disasters so as to: prevent, anticipate and respond appropriately to natural disasters, particularly in the north-east of the country;

decentralise the response to disasters in the north-east to make it more effective and appropriate and ensure that needs are identified promptly and more victims receive help; reduce the country's vulnerability to natural disasters thanks to prevention measures using state resources to focus on risk and ensure greater control of forest fires; increase public expenditure on the prevention and reduction of the risk of natural disasters; reduce flooding. Implementation of this pilot programme was given to the UNDP in the Dominican Republic. It is planned to implement it over a period of three years. The activities are concentrated in the north-east, which is more exposed to disasters.

A contract was given to an international coordinator in April 2006 for the planning and implementation of activities prior to the formal launching; the programme was officially approved in the Presidential Palace in September.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>Disaster preparedness (9 ACP DO 15)</b>	6.5	6.21 (95.5%)	3.09 (47.5%)
<b>Rehabilitation road infrastructure (9 ACP DO 20)</b>	0	0	0

### **3.5 Other instruments**

#### **3.5.1. SYSMIN**

The **SYSMIN II** programme (9 ACP DO 006) is a support programme for the Dominican Republic's important mining sector (bauxite, gold, silver, nickel, etc.). The €30 million 9th EDF programme lasting five years focuses on activities in three areas: (i) institutional capacity building and provision of geoscientific data; (ii) environmental remediation measures for the Pueblo Viejo mine; (iii) support for non-industrial mining.

SYSMIN II was revamped in 2006 and all the projects proposed in its three components were reviewed. Regarding the construction of water pipelines to supply the human settlements of Pueblo Viejo, the water management projects were dropped, reducing the environmental remediation of the Mejita dam at the design phase. Pilot non-industrial mining projects were designed with an important environmental and social impact, the aim being to rationalise the extraction and marketing of larimar – a traditional Dominican gem found only in parts of the Bahoruco region – in accordance with the guidelines drawn up after the first SYSMIN programme. From October 2006 a start was made to tendering the projects, works and supplies necessary for the revamped programme; as was stipulated, the two major projects of the original component "Institutional capacity building and Provision of Geocientífico Data" were signed: Geothematic cartography and technical assistance to the DGM.

These activities add up to a realistic programme, faithful to the aims of SYSMIN II, that will involve a decommitment of around €10 million (30%), mainly because of the environmental remediation of the Rosario mine, which was not put into operation in 2006 because the scope and details had not been decided.

Figures in € million	Primary commitment	Secondary commitment at end of 2006	Payments at end of 2006
<b>SYSMIN II (9 ACP DO 06)</b>	30	7.96 (26.5%)	0.93 (0.3%)

#### **3.5.2. Regional cooperation**

The European Commission's support for regional cooperation under the 9th EDF is aimed at helping ACP countries move towards a bigger, unified Caribbean market with the gradual removal of barriers to trade, crossborder payments and investments, freedom of movement for persons, goods and services, the completion

of the legislative, regulatory and macroeconomic framework and the strengthening of institutions to bind these elements together. The second focal sector is improvement of disaster preparedness and prevention with the aim of managing and reducing the region's vulnerability to natural disasters.

Under the 9th EDF the allocation for regional projects in the Caribbean is €57 million. In 2006 what is called the "Caribbean Integration Support Programme" was designed to bring about more efficient implementation of CRIP resources. The principal areas of CISP intervention are: support for the CSME; support for the EPA negotiations; support for the Caribbean institute of information and translation; support for the production of statistics in the Caribbean; support for the Information Society, among other things. The CISP has funds to strengthen the Dominican Republic's relations with CARICOM and Haiti. One of the main problems for the Dominican Republic in regional cooperation has traditionally been the relations between the NAO and the regional authority, the General Secretary of CARIFORO. Negotiations are under way to ensure the participation of senior civil servants of the Dominican Republic in the administrative and political structures of CARIFORUM.

A key regional cooperation issue for the Dominican Republic is its role in relations with Haiti. Under the CISP resources have been allocated to strengthen relations between the two nations and resolve commercial, phytosanitary, environmental and other problems. At present efforts are focused on the resumption of work by the Bilateral Joint Committee.

The most important regional cooperation project for the Dominican Republic, the economic development of the northern corridor of Hispaniola, was approved in 2004.

### **Economic development of the northern corridor of Hispaniola**

The second Regional Indicative Programme for the Caribbean agreed between the Member States of CARIFORUM and the European Commission gave top priority to promoting regional integration and regional economic cooperation. The development of relations between the Dominican Republic and the Republic of Haiti and the economic development of the northern corridor between Haiti, the regions of Cibao, Santiago de los Caballeros and Puerto Plata constitute one of the objectives of this integration. The creation of sustainable infrastructure is seen as an essential condition for the establishment of stable commercial relations. The programme includes the rehabilitation of the road between Cap Haitien and Dajabón (78 km), the building of a bridge over the Massacre river, customs posts on both sides of the border and a new market in Dajabón, a town on the Dominican side of the border.

In 2006 services were contracted for the revision and updating of tender dossiers for works. These services were developed between March and June 2006. In August 2006 the invitation to tender for the works was published; the procedure and evaluation of the bids concluded in December with the award of the contract. The invitations to tender were also launched for services to control and supervise the works and for TA to the Dajabon town council for management of the market. The tendering procedure and evaluation of the bids finished in December 2006 with the award of the contract.

### **3.5.3 Intra-ACP cooperation**

- Water Facility – 1st call

Of the initiatives submitted in 2005 only one -- for drafting of a grant contract -- was selected in April 2006. The negotiations on the signing of the only grant contract, granted to "World Vision" for the project "Community Management for the Sustainable Supply of Water and Sanitation in 63 Poor Communities of the Dominican Republic" (ASSAS), value €4.9 million, of which €3.65 million financed by the EC, for 36 months, were wrapped up. The negotiations started in June 2006 and finished in September 2006.

#### **2nd call**

This was published in March 2006, and in July 14 proposals (concept notes) were submitted for evaluation. Of these, seven were selected for submission of detailed proposals that were evaluated in October 2006. In December 2006 the Delegation was informed that two proposals had been provisionally selected for funding:

(i) "Water culture against poverty" proposed by the National Institute for Water Resources (INRH) at a total cost of €2.5 million, with an EC contribution of €1.9 million; (ii) "Improving water and environmental sanitation conditions in the marginal neighbourhood of Juana Saltitopa, Los Alcarrizos municipality, Santo Domingo" proposed by the Dominican Institute for Integrated Development and totalling €0.7 million, with an EC contribution of €0.5 million.

- Energy Facility: 1st call

In June 2006 the first call for the energy facility was published. In October nine proposals (concept notes) were received and all were evaluated by December 2006. Of these eight were selected to send a detailed proposal.

Over the year the CDE financed 12 technical assistance actions (for more than €106 000) and four feasibility studies (€25 500) in the Dominican Republic. The intervention sectors included stone, timber, agri-industry and tourism.

#### **3.5.4. Budget lines**

In 2006 the devolution of management of budgetary lines for actions cofinanced with NGO in the Dominican Republic continued.

Additional funds (€461 058) were committed for a new environmental initiative managed by a Dominican NGO, IDDI.

With this the budgetary lines managed in the Dominican Republic by this Delegation cover the following: Cofinancing of NGOs, Democracy/Human rights and Health.

The actions carried out under the budgetary lines include many areas of intervention: infrastructure, socio-economic and rural development, participation of civil society, natural resources, health – now including sexual and reproductive health - and education. In geographical terms there is also enough dispersal of projects in several areas of the country: Cibao, Salcedo, Mao, marginal neighbourhoods of Santo Domingo and Santiago, Hato Mayor, Independencia, Santiago Rodriguez, Montecristi and Saint Cristóbal.

Overall the implementation of the budget-line projects is progressing well. Projects are now followed more closely and more flexible and direct relations with NGOs implementing the projects have been established. The financial and accounting verification of project implementation has been more detailed and the audits more exhaustive and far-reaching. The Delegation helped to organise an AIDCO training course for NGOs that took place in June.

#### **3.5.5. ECHO**

Implementation continued of projects financed under the DIPECHO programme (ECHO's disaster preparedness programme) in the Dominican Republic, scheduled to end in February 2007. Two projects are being implemented by the Spanish Red Cross and Intermón-Oxfam.

The Intermón-Oxfam project, implemented with the local partner IDDI, is designed to reduce the vulnerability of five neighbourhoods in Santo Domingo through training, coordination with the relevant authorities and improved infrastructure, plus the design and implementation of emergency plans at community level. The Commission's contribution to this project is €400 000.

The project of the Spanish Red Cross and its local partner the Dominican Red Cross is aimed at reducing the vulnerability of the local population through disaster preparedness; it is being implemented in more than 100 communities in Bajo Yuna (provinces of Duarte, Sanchez Ramirez and Monseñor Nouel).

ECHO did not implement any emergency project in 2006.

#### **3.5.6. European Investment Bank (EIB)**

The EIB authorised three actions, all for the financing of small businesses, for a total of over €7 million. Two were carried out with Banco ADEMI, which is specialised in small businesses in the Dominican Republic. Also in receipt of EIB funds was the women's bank ADOPEM, for use in the microenterprises sector.

#### **4. Assessment of performance indicators**

In connection with the indicators for the implementation of the economic programme, we should emphasise the continuing favourable macroeconomic conditions combined with strong growth and control of inflation. The less satisfactory tax returns did not damage this favourable environment and the impact was mitigated by prudent monetary policy. The Central Bank's international reserves again increased substantially. However, to improve the medium-term outlook and reduce vulnerability to external crises it is necessary to continue structural reforms in public finances, banking and energy. Good progress has been made in changing the legislative framework, and it is time to apply these reforms, both in banking supervision and in public finances. The energy sector remained the most worrying sector, generating fiscal deficits; it requires not only legislative reform to sanction and punish fraud but also better management to improve the cash recovery of energy distribution companies.

The 2007 tax and political reforms provide for the changes necessary to consolidate the public debt and to promote social programmes in education and health.

#### **5. Donor coordination**

In the Dominican Republic there are good local mechanisms for coordination between the international donor community and the European Commission and the Member States. Member State representations generally meet at ambassador level (including the EC Head of Delegation) to coordinate their political agenda, including cooperation and visibility. The EC Delegation also invites the Member States to participate in regular exchanges of points of view on cooperation strategies and implementation, and on specific programmes on an ad-hoc basis. There were three in 2005: to assess 9th EDF programmes, to follow up negotiations on the EPAs and to disseminate information about EU cooperation policy and the focus on budgetary support

The feasibility of drawing up an EU road map to improve coordination of EU aid was also studied. The principal challenge, it was thought, was to develop more complementarity of programmes and to increase operational coordination between EU donors. The ideal would be to begin cooperation in the programming phase to ensure coherence among the chosen sectors, avoid overlaps and allow each donor to work in its area of special expertise. The EU has therefore brought in the Member States in drawing up the strategy for the 10th EDF in the interests of consistent, coordinated projects and programmes, complementary operations and greater synergies.

An analysis of EU external aid in the Dominican Republic shows that the social sectors (education and health) and support for good governance and institutional reforms are the focal sectors of an intervention coordinated to maximise effectiveness and impact. Complementarity will be ensured with interventions in other sectors in line with the development programmes of the Member States.

In addition to these programming efforts, and given that Germany and Spain started their programmes three or four years before in 2005, the implementation phase will provide other possibilities for closer coordination, mutual understanding and joint actions in sectors covered by one or more Member State and the EC. The sectors are likely to be: reform of the state and decentralisation (EC/DE/ES), justice (EC/ES/FR), disaster prevention (EC/ES/DE), education (EC/ES), and competitiveness (EC/ES).

A general donor coordination meeting is organised monthly on the premises of the World Bank and discusses matters of general interest such as the economic crisis, the crisis in the sector energy, and the general programming of the poverty reduction strategy. This group is complemented by a number of groups in the sector, and one of the donors is chosen as lead donor. The current sectors are education, health, justice, anti-corruption and transparency, decentralisation, gender, rural development and food safety, management of

natural resources and disaster prevention. Spain is acting as leader of the decentralisation and gender groups, Germany is the lead for natural resources, while the EU is particularly active in supporting the government in education programming (chronogram) with an external expert.

## **6. Local dialogue with ONFED and non-state actors**

Relations between the EC Delegation and the Office of the NAO are very fluid. The political dialogue with the Dominican authorities ought to be better structured and planned. Since 2005 the Delegation and the Member States have been establishing contacts at high government levels (Ministry of the Presidency, External Relations Ministry, Finance Ministry, etc.) with a view to: (i) preparation of a general budgetary support programme (€38 million, 9th EDF); (ii) the future reorganisation of the administration and the setting-up of a planning and development ministry, which would also be responsible for coordination of international cooperation; (iii) consultations on the programming of the 10th EDF.

Note that the political dialogue is complicated by the division of responsibility for the coordination of international cooperation among different government bodies, reducing information flows and the consistency of external cooperation. However, the draft law under debate in Congress that would create a Secretariat of Planning and Development, embracing also the Office of the NAO, would greatly facilitate the dialogue. Pending such an institutional unit, the EU's efforts to design and implement a common strategy, combined with a trend towards a government-led coordination within the budgetary support programmes, should improve the situation. The EU hopes that approval of a new legal framework will help to improve the political dialogue.

On a more general level, the institutional dialogue among government representatives and all the donors is not very developed and most donors consult each other without the presence of the government. The government has not acted with sufficient consistency to create sectoral or general forums for discussions on policy with one or more donors. More efforts are needed to make the government aware that the political dialogue, especially with the EU, is not effective enough and that it deserves more attention and prominence (as for the IMF, the World Bank or the IDB).

In the programming exercise the NAO involves civil society to a great extent and local government to some extent. However, in spite of a fluid exchange of information, the Dominican authorities should accord more importance to giving leadership in the programming exercise.

## **7. CONCLUSIONS**

1.1. The main political event in 2006 was democratic parliamentary and local elections, generally described as clean and free. There have been no major reforms in terms of political governance (the appointment of an Ombudsman and the effective and full application of the Civil Service Law have yet to happen). However, in terms of economic governance, significant reforms of the management of public finances have started in the framework of the Stand-By Arrangement with the IMF. At the end of the year (December) a package of laws was adopted that are a positive step towards a comprehensive reform of public finances. In 2007 these laws will have to be enacted and begin to be implemented.

1.2. On the economic front, macroeconomic stability and the pattern of stable growth have been maintained thanks to strict adherence to the IMF Stand-By Arrangement, implemented since the beginning of the 2005. A key element has been the set of macroeconomic and structural policies designed to ensure price stability and revive sustainable growth. In 2006, the economy recorded growth of 10.7%, the highest in the last 20 years. Inflation for that year stood at 5%.

1.3. Despite high growth levels, poverty is widespread. The latest figures (2004) show that 42 of every 100 Dominicans lived in poverty, 16 in every 100 in extreme poverty. In the same year 20% of the richest families received 56% of the national income, while the poorest 20% received only 4%. Income inequality has remained close to the average for Latin America and the Caribbean (LAC) over the last seven years (Gini

coefficient of 0.52); the region itself is the most unequal in the world. There is no clear trend for a reduction in these poverty indicators. According to the last UN report (2004) on progress towards the millennium development goals in the Dominican Republic, achievement of MDG No 1 (halving extreme poverty, with 1990 as base year) is only possible if the level of economic growth continues and if systems are established to link growth to a fair distribution of wealth.

1.4. As regards European cooperation, 2006 was an excellent year in terms of new commitments. Under the 9<sup>th</sup> EDF, the education support project resulted in the identification of indicators and the formulation of a support programme for sectoral policies. In October 2006 the financing agreement for the General Budgetary Support Programme was signed and fulfilment of the general conditions for the first payment of €10 million was assessed, but not in time for payment before the end of the year. Implementation of the Institutional Support Programme for Public Finances started with the mobilisation of international technical assistance and the appointment of the project's national coordinator. The financing agreement of the Support Programme for Regional Integration was signed in September.

Eighth EDF programmes saw the fruit of earlier years' work (drawing-up of the strategic plans of several town councils) while implementation of systems that were already designed and tested (such as implementation of the penal system in a number of centres and programmes to train judges, magistrates and prosecutors). Pro-ETP continued with the equipping and fitting-out of centres in the second phase. SABAMAR, a scheme to rehabilitate marginalised districts of San Domingo, finished in August 2006.

Noteworthy among the non-focal projects and programmes was the start-up of the Local Initiative Programme to aid non-state actors and the Disaster Prevention Programme (B). The second phases of the following projects started: the microprojects programmes, reconstruction of schools in the eastern region and SYSMIN. Implementation of the project of support for small enterprises (PROEMPRESA) continued, while that to support the competitiveness of the banana sector (PROBANANO) was wrapped up.

1.5. The final review of the country strategy was carried out in 2006. It led to the amendment of the National Indicative Programme (addendum No 2), approved by the European Commission on 13 June 2007. As a result of this review and on the basis of performance it was decided to reduce the funds available under the A envelope by €5 141.165 million and the funds under the B envelope by €10 500.000 million. Following this decision, the Dominican Republic's NIP is left with €122 456.649 million in the A envelope and €46 500.000 million in the B envelope.

1.6. The ongoing dialogue between the NAO and the Delegation runs smoothly at different complementary levels. The NAO and the Delegation are in daily contact and hold regular meetings. Both sides' technical teams meet regularly to review the situation, discuss difficulties and outstanding implementation and programming issues. The programmes are also jointly monitored and regular sectoral meetings are held with the relevant bodies.

1.7. Non-state actors have played an active part in identifying and formulating 9<sup>th</sup> EDF projects. At the same time, the Member States present in the Dominican Republic have been involved in these processes via meetings in the Commission Delegation.

**Annexes to the 2006 Joint Annual Report**

**Dominican Republic**

- (a) “Country at a glance” (macroeconomic indicators and MDGs)
- (b) Financial situation 9th and previous EDFs
  - Regional projects
  - EIB
  - Budget lines
  - (CRIS and EAMR tables)**
- (c) Indicative table of commitments and payments (until end of 2008)

### Annex 1 - Country at a glance (CSP annexes)

<b>Indicator</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
1. Population (2)	8.4	8.6	8.7	8.9	9.0		
2. Population growth (in %) (1)	1.8	1.8	1.8	1.8	1.8		
3. GDP per capita (in USD) (2)	2578	2536	1907	2102	3247		
4. Growth of real GDP (in %) (3)	3.6	4.4	-1.9	2.0	9.3	10.7	6.0
5. Gross capital formation as % of GDP (3) of which FDI (in %, own calculation)	23.1	22.5	23.0	20.5	19.8		
6. External debt as % of GDP (2)	19.3	21.7	36.5	34.7	22.7	25.6	26.0
7. External debt service as % of GDP (2)	2.2	2.1	5.5	4.3	7.3	6.1	6.3
8. arrears on domestic debt			4.2		0;SBA		
8. Exports as share of GDP of which... (main sectors of concentration / main export markets)	38.5 FTZ US	37.7 FTZ US	53.0 FTZ US	49.3 FTZ US	34.7 FTZ US		
9. Trade balance as % of GDP (3)	-50.7	-50.9	-30.4	-27.0	-44.1		
10. Government income as % of GDP (3) of which ... (main sources of income)	16.7	16.9	16.8 Incom e tax	18.5 VAT	18.2 VAT		
11. Government expenditures as % GDP (3) of which ... (main areas of expenditure: combined social sectors; debt service as % budget)	18.6	19.1	17.2	17.5 37% 32%	16.7 32% 31%	27%	
12. Budget deficit – Central Govmt (3) (effective data rather than budgeted data where possible)	-2.4	-2.7	-5.2	-4.0	-0.7	-0.8	
13. Inflation (2)	4.4	10.5	42.7	28.7	7.4		4.8
14. Exchange rate RD\$/€ (2)	14.6	15.8	31.6	48.8	35.7	40.6	

1= World Bank, 2= Central Bank, 3= IMF

## Annex 1b – MDG Indicators

Type	Indicator	2001	2002	2003	2004	2005	2006
Impact	1. Proportion of the population living on less than \$1 a day	3.2 (1)	5.5 (1)	5.5	3.0		
	2. Prevalence of underweight children (under 5 years of age)	5.0(2)	5.0 (2)	5.0	--		
	3. Mortality of under-5s	47 (2)	38 (1)	35	32		
Result	4. Net rate of enrolment in primary education	92.5 (2)	87.0(1)	93(3)	86		
	5. Percentage of children that complete primary schooling		53(1)	54	90.8		
	6. Proportion of children in:						
	- primary education	104 (1)	104 (1)	104	105		
	- secondary education	81(1)	80 (1)	80			
	7. Proportion of births attended by qualified health care workers	97(4)	97(4)	99	--		
	8. Proportion of children under one year of age vaccinated against measles	98.0(2)		78			
	9. Prevalence of HIV among pregnant women aged 15-24 years	2.8 (2)		3			
	10. Proportion of the population who have access to an improved source of water	86(2)		87	95		

(1) According to the UN Report on the Millennium Development Objectives, Dominican Republic 2004. (2) According to World Bank figures. (3) Strategic Education Development Plan 2003-2012, Dominican Republic. (4) 2002 Endesa report:

## Annex 2

### 2.2 Budget lines

<b>Summary table of projects under way</b>
<b>Title:</b> "Desarrollo económico local a través de la reforestación y la producción de energía y de aceite combustible en la zona fronteriza de la República Dominicana". <b>Beneficiary NGO:</b> Instituto Dominicano de Desarrollo integral <b>EC Contribution:</b> €461 058.30 <b>Start-up of activity:</b> 15/11/2006 (30 months) <b>Area of geographical/thematic action:</b> Environment. RD
<b>Title:</b> "Promoción de la Salud Juvenil en República Dominicana" <b>Beneficiary NGO:</b> Asociación dominicana por el bienestar de la familia Inc. (PROFAMILIA) <b>EC Contribution:</b> €1 020 221.00 <b>Start-up of activity:</b> 22/12/2005 (36 months) <b>Area of geographical/thematic action:</b> Training of staff in population policy and reproductive health. RD
<b>Title:</b> "Lucha contra la discriminación racial y la xenofobia en la República Dominicana" <b>Beneficiary NGO:</b> Fundación Entre culturas Fe y Alegría <b>EC Contribution:</b> €652 000 <b>Start-up of activity:</b> 22/5/2003 <b>Area of geographical/thematic action:</b> Human Rights RD
<b>Title:</b> Block Grant 2004. Atabey: "Plan maestro para el manejo integral de la cuenca alta del Río Yuna" <b>Beneficiary NGO:</b> UCODEP <b>EC Contribution:</b> €711 164.33 <b>Start-up of activity:</b> 1/04/2006 (36 months) <b>Area of geographical/thematic action:</b> Alternative agricultural development. RD
<b>Title:</b> "Fortalecimiento de la sociedad civil en apoyo a las instituciones públicas para acceso a la información pública y rendición de cuentas" <b>Beneficiary NGO:</b> Intermon-OXFAM <b>EC Contribution:</b> €305 437.29 <b>Start-up of activity:</b> 29/12/2005 (36 months) <b>Area of geographical/thematic action:</b> Strengthening civil society. RD
<b>Title:</b> "Tejiendo la solidaridad. Fortalecimiento de programas educativos y comunitarios" <b>Beneficiary NGO:</b> Educación sin fronteras <b>EC Contribution:</b> €599 068.07 <b>Start-up of activity:</b> 1/11/2004 (36 months) <b>Area of geographical/thematic action:</b> Multisector aid for basic social services. Education. RD
<b>Title:</b> "Fortalecimiento de organizaciones de la sociedad civil mediante acciones de mejora de recursos" <b>Beneficiary NGO:</b> DEUTSCHE WELTHUNGERHILFE EV <b>EC Contribution:</b> €50 000 <b>Start-up of activity:</b> 6/01/2003 (48 months) <b>Area of geographical/thematic action:</b> Strengthening civil society RD

### 2.3 European Investment Bank

Project Name	Operation type	Status	Convention	Amount signed (m)		Date of Signature
				OR	RC	
ADEMI	GL	Disbursed	Lome - 4		3 000 000.00	16/12/1992
CDE POWER	Investm. Loan	Disbursed	Lome - 4		15 000 000.00	14/12/1994
ADEMI II	GL	Disbursed	Lome - 4		8 000 000.00	30/3/1995
BANCO ADEMI GL III	GL	Disbursed	Lomé - 4 - revised		6 000 000.00	15/9/1998
BANCO ADEMI GL III	GL	Disbursed	Lomé - 4 - revised	3 000 000.00		4/11/1998
	GL	Disbursed	Lomé - 4 - revised		1 000 000.00	4/11/1998
CDE POWER EMERGENCY MEASURES	Investm. Loan	Disbursed	Lomé - 4 - revised		9 000 000.00	26/5/2000
COMMERCIAL BANKS FINANCIAL FACILITY	GL	Disbursed	Lomé - 4 - revised	10 000 000.00		9/1/2001
ADEMI GL IV	GL	Disbursed	Lomé - 4 - revised		15 000 000.00	7/9/2001
FINANCIAL SECTOR GL II	GL	Signed	Lomé - 4 - revised	40 000 000.00		23/12/2002
FINANCIAL SECTOR GL II	GL	Signed	Lomé - 4 - revised	40 000 000.00		31/3/2003
WESTIN ROCO KI BEACH AND GOLF RESORT	Investm. Loan	Signed	Cotonou Agreement		20 000 000.00	29/12/2004
ADEMI V	Investm. Loan	Disbursed	Cotonou Agreement		230 000.00	1/2/2006
ADEMI V	GL	Signed	Cotonou Agreement		3 000 000.00	19/12/2006
SMALL ENTERPRISES GLOBAL LOAN	GL	Signed	Cotonou Agreement		4 000 000.00	19/12/2006

**Annex 3**

Indicative table of commitments and payments (until end of 2008)



DOMINICAN REPUBLIC

EDF FORECASTS: 2007-2008: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

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YEAR GLOB. COMMIT.	ACCOUNTING NUMBER	TITLE INDIVIDUAL COMMITMENT	FORECASTS 1st SEM 2007					FORECASTS 2nd SEM 2007					FORECASTS 1st SEM 2008					FORECASTS 2nd SEM 2008					
			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			
					Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H	
<b>TOTALS on NEW INDIVIDUAL Commitments</b>			<b>73.952.069</b>	<b>16.080.035</b>	<b>13.297.898</b>	<b>557.337</b>	<b>2.224.800</b>	<b>4.752.500</b>	<b>26.260.982</b>	<b>4.157.599</b>	<b>17.103.441</b>	<b>4.999.942</b>	<b>2.864.000</b>	<b>17.969.223</b>	<b>1.335.708</b>	<b>13.350.515</b>	<b>3.283.000</b>	<b>100.000</b>	<b>10.268.731</b>	<b>539.256</b>	<b>8.546.080</b>	<b>1.183.395</b>	
1999	8ACP DO14 #40 CE INACIF		0	0				375.000	225.000			180.000	45.000										
1999	8ACP DO14 #41 CE SEREX		126.550	63.275	50.620	12.655																	
1999	8ACP DO14 #42 CE IIBI		129.125	64.563	51.650	12.913																	
1999	8ACP DO14 # xx CE Obras FA1 - Cobausa		306.950	92.085	73.668	18.417			214.865	171.892	42.973												
1999	8ACP DO14 #xx Final Evaluation																100.000	95.000	76.000	19.000			
2000	8ACP DO19 POA 5		1.909.965	1.000.000	1.000.000				600.000		600.000			309.965		309.965							
2001	8ACP DO22 # 15 PT 2007-08		3.000.000	900.000	720.000	180.000			1.500.000	1.200.000	150.000	150.000		600.000		300.000	300.000						
2001	8ACP DO22 # 16 Audit (Oct06-Jun08)		13.100						3.275	2.620	655			6.550	5.240	1.310				3.275	2.620	655	
2001	8ACP DO22 # 17 CE Indepro		103.075	51.538	41.230	10.308			25.769	20.615	5.154												
2001	8ACP DO22 # 18 CE Mujer		31.300	15.650	12.520	3.130			7.825	6.260	1.565												
2001	8ACP DO22 # 19 CE APYMERE		70.600	35.300	28.240	7.060			17.650	14.120	3.530												
2001	8ACP DO22 # 20 CE AIREN		37.500	18.750	15.000	3.750			9.375	7.500	1.875												
2001	8ACP DO22 # 21 CE CNC							50.000	25.000	20.000	5.000			12.500	10.000	2.500							
2001	8ACP DO22 # 22 Evaluation final												100.000	60.000	60.000								
2002	8 ACP DO27 POA 5 2007 - 2008 operacion		400.000						200.000	200.000				100.000		80.000	20.000						
2002	8 ACP DO27 POA 5 2007 - 2008 inversion		1.200.000						600.000	600.000				300.000		240.000	60.000						
2002	8 ACP DO27 AT a la UTG PMR2		375.000	75.000			75.000		120.000		120.000			120.000		120.000				60.000		60.000	
2002	8 ACP DO27 Adendum Audit. Camp Y Asoc		20.000						5.000	5.000	120.000			5.000	5.000				5.000	5.000		60.000	
2004	9ACP DO6 #11 Diseño Recuperación Vaso de Mejita		660.400	132.080	132.080				211.328	211.328				211.328	211.328				105.664	105.664			
2004	9ACP DO6 #12 Estudios de las Cuenclas Hidrográficas		550.000	110.000	110.000				176.000	176.000				176.000	176.000				88.000	88.000			
2004	9ACP DO6 #13 Calizas de Hatillo		809.200	161.840	161.840				194.208	194.208				323.680	323.680				129.472	129.472			
2004	9ACP DO6 Subvención Escuela Formacion Larimar		369.687						177.450			177.450		118.300		118.300			73.937				73.937
2004	9ACP DO6 Subvención Univ. Agroforestal		10.000	8.000			8.000		1.300			1.300											
2004	9ACP DO6 Trabajos de obra mina de Larimar		2.200.000	220.000			220.000		900.000			900.000		900.000		900.000			180.000				180.000
2004	9ACP DO6 Trabajos de obra Acueducto de Pueblo viejo		250.000	25.000			25.000		180.000			180.000		45.000		45.000							
2004	9ACP DO6 Sondeos Geotecnicos sitio Larimar		92.500	18.500			18.500		51.800			51.800		22.200		22.200							
2004	9ACP DO6 Supervision trabajos mina de Larimar		199.000	119.400			119.400												47.760				47.760
2004	9ACP DO6 Supervision trabajos acueducto de Pueblo Viejo		80.000	48.000			48.000							32.000		32.000							
2004	9ACP DO6 Equipo Informatico para la DGM		301.640	180.000			180.000		121.640			121.640											
2004	9ACP DO6 Equipo Pesado para la DGM		250.000	150.000			150.000		100.000			100.000											
2004	9ACP DO6 Equipo de Seguridad para la DGM		50.000	30.000			30.000		20.000			20.000											
2004	9ACP DO6 Equipo electricos para la DGM		92.500	55.500			55.500		37.000			37.000											
2004	9ACP DO6 Equipo de aire comprimido para la DGM		70.000	42.000			42.000		28.000			28.000											
2004	9ACP DO6 Equipo de Corte y Pulido para la DGM		12.500	7.500			7.500		5.000			5.000											
2004	9ACP DO6 Equipo de Laboratorio para la DGM		74.000	44.400			44.400		29.600			29.600											
2004	9ACP DO6 Equipo Topografico para la DGM		31.000	18.600			18.600		12.400			12.400											
2004	9ACP DO6 Adendum Contrato Typsa		1.125.000						225.000			225.000		270.000		270.000			270.000				270.000
2004	9ACP DO6 Subvención Escuela Formacion Larimar		369.687						177.450			177.450		118.300		118.300			73.937				73.937
2004	9ACP DO6 Subvención Univ. Agroforestal		10.000	8.000			8.000		1.300			1.300											
2004	9ACP DO6 Trabajos de obra mina de Larimar		2.200.000	220.000			220.000		900.000			900.000		900.000		900.000			180.000				180.000
2004	9ACP DO6 Trabajos de obra Acueducto de Pueblo viejo		250.000	25.000			25.000		180.000			180.000		45.000		45.000							
2004	9ACP DO6 Sondeos Geotecnicos sitio Larimar		92.500	18.500			18.500		51.800			51.800		22.200		22.200							
2004	9ACP DO6 Supervision trabajos mina de Larimar		199.000	119.400			119.400												47.760				47.760
2004	9ACP DO6 Supervision trabajos acueducto de Pueblo Viejo		80.000	48.000			48.000							32.000		32.000							
2004	9ACP DO6 Equipo Informatico para la DGM		301.640	180.000			180.000		121.640			121.640											
2004	9ACP DO6 Equipo Pesado para la DGM		250.000	150.000			150.000		100.000			100.000											
2004	9ACP DO6 Equipo de Seguridad para la DGM		50.000	30.000			30.000		20.000			20.000											
2004	9ACP DO6 Equipo electricos para la DGM		92.500	55.500			55.500		37.000			37.000											
2004	9ACP DO6 Equipo de aire comprimido para la DGM		70.000	42.000			42.000		28.000			28.000											
2004	9ACP DO6 Equipo de Corte y Pulido para la DGM		12.500	7.500			7.500		5.000			5.000											





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# EDF FORECASTS 2007 - 2008: PAYMENTS on ONGOING PROJECTS.

( amounts in € )

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0		TITLE GLOBAL COMMITMENT	END date of implementat*	SITUATION END 2006			FORECASTS on PAYMENTS 1st SEM 2007				FORECASTS on PAYMENTS 2nd SEM 2007				FORECAST PAYMENTS 1st SEM		
		N° INDIV COMMIT.	DEL RESPONS			GLOBAL COMMIT.	INDIV. COMMIT	RAC	ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR				ESTIMATION of RISK FA		
									AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP	1 <sup>st</sup> SEMESTER	Low L	Medium M	High H	2 <sup>nd</sup> SEMESTER	Low L	Medium M	High H
<b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>						<b>4.500.000</b>	<b>2.786.350</b>	<b>1.713.650</b>											
<b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b>						<b>2.786.350</b>	<b>430.541</b>	<b>2.355.809</b>	<b>824.370</b>	<b>659.496</b>	<b>164.874</b>	<b>0</b>	<b>841.427</b>	<b>673.142</b>	<b>168.285</b>	<b>0</b>	<b>259.715</b>	<b>207.772</b>	<b>51.943</b>
1999	8ACP TPS57	0		ECO APOYO A LA REFORMA Y MODERNIZACION DEL ESTADO	20080630	4.500.000	2.786.350	1.713.650											
1999	8ACP TPS57	1		ECO SEGUNDO CONV. CARMJ - PARME (DOP 15,390,873.60)	20070303	414.000	188.845	225.155	103.500	82.800	20.700								
1999	8ACP TPS57	2		ECO CONSTRUCC. CENTRO ADOLESC. STGO.-CODOCON (DOP24,879,215.04)	20070719	637.000	0	637.000	378.378	302.702	75.676		258.622	206.898	51.724				
1999	8ACP TPS57	3		ECO CONV. AGN/PARME (DOP 5,103,400)	20071115	131.000	59.760	71.240		0	0		32.750	26.200	6.550				
1999	8ACP TPS57	4		ECO DEVIS PROGRAMME CONARE/PARME	20071206	383.000	181.936	201.064					95.750	76.600	19.150				
1999	8ACP TPS57	5		SOSTENIBILIDAD PROCESO DE ECO AVENANT 7 PARME (8 ACP DO 14 NO.1) 15,490,953.72 DOP ET	20080331	1.022.350	0	1.022.350	242.992	194.394	48.598		404.555	323.644	80.911	259.715	207.772	51.943	
1999	8ACP TPS57	6		ECO CONV. CONARE/PARME - DOP 8,088,800	20071226	199.000	0	199.000	99.500	79.600	19.900		49.750	39.800	9.950				
	8ACP TPS57	Total Individual Commitment				2.786.350	430.541	2.355.809											



2008		FORECAST PAYMENTS 1st SEM 2008					ALARM	COMMENTS
YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	High H	2 <sup>nd</sup> SEMESTER	Low L	Medium M	High H		
<b>TOT.</b>		<b>0</b>	<b>100.735</b>	<b>80.588</b>	<b>20.147</b>	<b>0</b>		
1999	8ACP TPS						OK	
1999	8ACP TPS						OK	
1999	8ACP TPS						OK	
1999	8ACP TPS						OK	
1999	8ACP TPS						OK	
1999	8ACP TPS		100.735	80.588	20.147		OK	
1999	8ACP TPS						OK	
	8ACP TPS						OK	