

SMALL ENTERPRISE DEVELOPMENT FACILITY

(TC-95-05-30-8)

EXECUTIVE SUMMARY

NAME OF THE PROJECT: Program to raise agricultural competitiveness in the Dominican Republic

EXECUTING AGENCY: Junta Agroempresarial Dominicana, Inc. (JAD)

BENEFICIARIES: Small producers in the agriculture and livestock sector

AMOUNT AND SOURCE: US\$1,920,000 (MIF)
US\$ 640,000 (JAD)

MIF FACILITY: Small Enterprise Development (Facility III-A)

OBJECTIVES: The overall objective of the program is to improve the efficiency and competitiveness of agricultural producers in the Dominican Republic, helping them to increase the profitability of their farms and to raise their standard of living through access to a system of specialized services.

DESCRIPTION: The program will take three years to complete and consists of the following components:

1. Technical and marketing information. A system will be put in place for the collection and dissemination of the technical information and marketing data required by small farmers in the areas chosen for the project. As an initial step, the primary options will be listed for linkage with international databases in order to select the type of information that will be relevant to local producers. This data will be received by modem and passed on to producers in radio broadcasts and by means of information sheets.
2. Studies and plans of action. Based on the potential demand of the 45,000 small producers living in the program areas, studies will be carried out to identify areas of business in which small producers of specific goods can introduce innovations to raise the productivity and competitiveness of an individual enterprise

or operation. Each of these studies will include a specific plan of action to meet the needs of the situation studied.

3. Direct technical assistance. On the basis of these studies, the program will provide direct technical assistance services as needed in such areas as investment planning, farm finances, laboratory analysis, soil preparation and cultivation methods, pest control, post-harvest handling of crops, quality control and domestic and international market requirements, packaging and marketing of agricultural products. In addition, farmers will be provided with contacts ensuring access to new distribution outlets, suppliers of agricultural inputs, and other services required by small producers, such as transport and storage facilities, promotion, potential partners, and so forth.
4. Technical assistance and management training for groups. The project will place emphasis on increasing the linkages between small producer groups (the target group) and the agricultural wholesalers and processors who purchase products directly or serve as distribution outlets. Activities will be carried out to help these two groups identify mutual interests and to provide small producers with the information, assistance, and training that will enable them to sell their products at competitive rates.

As executing agency, the JAD will establish a central coordinating unit and two branch offices, one serving the Espaillat-Salcedo area and the other the Peravia-Azua area. The program will take advantage of the JAD's experience with medium and large-scale agricultural producers in its 11 years of operation.

**POVERTY AND
SOCIAL ASPECTS:**

The program will target small producers in four provinces, which are considered very poor (paragraphs 3.14 to 3.16).

**TERMS OF THE
AGREEMENT:**

As a condition precedent to the first disbursement, the JAD will submit evidence that: (i) it has hired the coordinator, professional staff, and technical experts who will carry out the program activities in accordance with the procedures and terms of reference approved by the Bank (paragraph 3.23); (ii) its board of directors has approved the fee schedule and business plan for the services it provides, in order to produce sufficient income to ensure that the program

remains financially sustainable after execution period (paragraph 3.28); and (iii) its board of directors has formally adopted the guidelines for the program, in accordance with the text approved in advance by the Bank (paragraph 8.1).

Other commitments: The JAD will: (i) ensure that investment projects prepared for individual farms, based on the results of studies and plans drawn up under the program, will include financial feasibility studies to help producers gain access to the country's financial system (paragraph 3.7); (ii) as part of the technical assistance provided under the program, make recommendations that take into account criteria relating to sustainability and conservation of natural resources, and will follow up on these recommendations in order to prevent any adverse environmental effects from improper use of more advanced production methods (paragraph 3.9); (iii) independent consultants will prepare an annual progress report based on an evaluation performed in the month following the close of each year of the program. The report will be submitted to the Bank within 30 days of the date the evaluation is completed. The logical framework sets out the indicators that are to be used in measuring annual targets for each component and activity over the program's three-year duration. Verification will be evidenced by means of records kept by the JAD at its head office and field offices and written confirmation by producers taking part in the program. The program guidelines describes the activities to be carried out by the JAD for purposes of verification (paragraphs 3.17, 8.1); and (iv) the Bank will review the annual evaluation report within 30 days of the date it is received. If the targets are not met, they will be reformulated if sufficient grounds exist to justify the failure to meet the targets; otherwise, disbursements may be suspended (paragraph 8.2).

FINANCING:

Nonreimbursable

**ENVIRONMENTAL
CLASSIFICATION:**

The Environmental Management Committee, at its meeting of June 27, 1995, classified this project as a Category II operation.

PROJECT TEAM:

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I. ELIGIBILITY OF THE COUNTRY

- 1.1 On September 12, 1994, the Donors Committee declared the Dominican Republic eligible for all types of financing under the MIF.

II. FRAME OF REFERENCE

A. Background

- 2.1 In the development process being carried out in the Dominican Republic, the relative importance of the country's agricultural sector has declined, partly because it has been adversely affected by economic policies that do not allow it to develop to its full potential. Although the sector has seen a certain amount of growth, it cannot compare with that achieved in tourism and the free trade zones which have led the nation. Whereas the GDP grew by an annual average of 2.8 percent during the 1980s, agricultural GDP rose at an average rate of only 1.4 percent per year, even though some 800,000 Dominicans dependent on farming for their livelihood, and it remains the principal supplier of food for the rest of the population and the main source of raw materials for the country's agri-food business.
- 2.2 Major economic policies hindering the development of the sector are tariff and nontariff barriers on imports, price controls, and barriers to foreign investment. A further constraint on agricultural exports is an inappropriate exchange rate. Also helping to create distortions in the sector are subsidized lending policies, relatively inefficient and virtually free access to water for irrigation, and a land ownership system that creates uncertainty.
- 2.3 The results of these policies have led the government, along with various groups in society, to recognize the need for initiating changes in the nation's economy and agricultural sector aimed at opening up markets within the Dominican Republic to the world economy. One of the most important measures taken in this respect was the signing of the General Agreement on Tariffs and Trade (GATT), and its subsequent ratification by both legislative houses. There is a general awareness in the country that joining the GATT increases the trade prospects of the Dominican Republic, while at the same time posing challenges for the agricultural sector in the areas of productivity and competitiveness.
- 2.4 Faced with the need to restore stability and growth, the government has introduced a stabilization plan which includes measures to restrict public spending in order to reduce the fiscal deficit. These restrictions in public spending have resulted in reduced funding in many areas of agriculture, and cutbacks in services traditionally provided by the State.

B. Small producers

- 2.5 The viability of small agricultural producers is of fundamental importance to the Dominican economy. Small farmers not only supply most of the products consumed locally, but also act as a brake on a rural exodus to urban centers where the difficulties of assimilating newcomers in already overcrowded areas becomes more difficult each day. At the same time, reductions in government funding for institutions that provide support services in the agricultural sector, and the liberalization of the country's economy, pose important challenges to which these producers will have difficulty in responding and adjusting, given their technical limitations and lack of management skills.
- 2.6 The most important problems affecting small farmers at the micro-economic level include: (a) low productivity for most of crops; (b) low yield which deter investment and the adoption of new technologies; and (c) lack of management skills, which limits their ability to become more competitive.
- 2.7 Productivity on farms. The yields of major crops have remained flat and, in some cases, have actually declined due to the deterioration of improved varieties and rising incidence of pests and diseases. In fact, rice is the only crop for which yields are acceptable by international standards. For other crops such as corn, garlic, onions, coffee, and beans, output per unit of land under cultivation is down compared to previous years and below international averages. Lack of access to appropriate technologies is one of the main problems affecting small agricultural producers. Those technologies made available to them have often been both inappropriate and relatively costly.
- 2.8 Yield. The yield of major crops produced in the Dominican Republic is very low, owing to a combination of low prices and low productivity. Yields per hectare from food crops, most of which are grown by small producers, have been below the levels achieved in countries with the same level of technology and similar growing conditions. Price intervention in the past decade, too, eroded competitive position in tradable commodities. From 1985 to 1992, producers of agricultural exports received prices below those paid on world markets, while producers of imported agricultural commodities (rice, beans, and corn) received prices, on average, above the equivalent border prices for these same crops.
- 2.9 Management skills. To reform the sector, traditional farmers will have to begin to act as microentrepreneurs. However, their management skills are limited, in part because most small farmers have had little schooling (primary school or less), but also because they have had little opportunity to receive practical training in this area.

C. Support for small producers

- 2.10 Small agricultural producers have very limited access to services. Three points in particular need emphasizing: (i) government programs in this sector have been pared down substantially; (ii) existing programs are both insufficient in number and inadequate; (iii) the needs of producers are not always reflected in current demand.
- 2.11 The reduction in government assistance for small producers has adversely affected a large number of critical areas, including agrarian reform policies and activities, Banco Agrícola lending programs, and Ministry of Agriculture extension services and training programs. Even INESPRES's limited procurement programs have seen cutbacks. These activities, though intended to strengthen producers, have not always had the desired effect, primarily because they are seen as insufficient. The technical assistance being offered by the Ministry of Agriculture and the Instituto Agrario Dominicano is deemed of little use due to its lack of targeting, and because it does not take an integrated approach to the productive process.
- 2.12 The services offered by various private entities do not provide the necessary national coverage. The training and technical assistance available from NGOs such as the Junta Agroempresarial Dominicana, Inc. (JAD) reach a small number of producers only. For example, it is estimated that less than 15 percent of producers in the Espaillat-Salcedo and Peravia-Azuá regions receive technical assistance, and only 30 percent have had soil preparation help. A particularly interesting case is pest management for which unsuitable technology is being applied on the basis of recommendations by fertilizer distributors. The result has been an exclusive reliance on agrochemicals which is leading to pesticide resistance (it is estimated that yields are down over 40 percent in the project area owing to improper pest management).
- 2.13 On the demand side, the scant experience of small producers in the use of extension services and innovation means that agricultural production on their farms must be monitored closely. For this reason, the introduction of innovative techniques through demonstration pilot projects (i.e. the use of mechanized soil preparation, etc.) are considered essential. However, an activity of this sort requires an integrated approach which combines training in the production process and strengthening of management and marketing skills - all activities designed to supplement the use of innovations.

D. Timing of the proposed project

- 2.14 There is a great need, then, for a project designed specifically to assist small farmers in the Dominican Republic. Changes in the environment in which these small producers operate have created new conditions, forcing them to adopt new methods of operation including

the use of technology modules to increase their productivity and management techniques make them more competitive.

- 2.15 At the same time, the results of more than two decades of programs for small producers carried out by international agencies, primarily in cooperation with the national government, have led to important conclusions and changes in policy guidelines. This has engendered broad-based programs tailored to steering small producers toward groups that have the skills to raise themselves above the level of simple self-sufficiency and subsistence farming.
- 2.16 These changes are the result of the new approaches that now prevail in world agriculture and cooperation programs. These approaches, which have outgrown the welfare model of cooperation and now emphasize programs with measurable results, are demand- and market-oriented, and are designed to transform the production methods and living conditions of their beneficiaries.
- 2.17 Meanwhile, the small farmer is faced with the difficulty of gaining access to the technical services necessary to improve his productive capacity. Two elements that are particularly relevant have been identified:
 - a. The relative lack of development of a market for services of this type makes it necessary to develop an integrated approach, including intensive programs and demonstration activities that illustrate the effectiveness of the services and solutions being proposed. The need for institutional resources that are close at hand and readily accessible to producers is vital for this task.
 - b. A project of this nature requires a substantial initial investment in both human resources and capital, and patience on the part of the private investor since it is a long-term commitment. Given the thrust of current government policies, which emphasize reducing the role of the State, and the magnitude of the effort required in assisting such a large group of producers, the government cannot reasonably be expected to provide such services. In fact, these activities will generate benefits beyond the level of the individual business by boosting the productive organization of the communities and producer groups, which further justifies the nonreimbursable financing by the MIF in the initial stage.
- 2.18 Hence, nonprofit private organizations with proven experience in effectively serving the agricultural sector should be used, while underscoring the need for them to expand their services and tailor their working methods to the small farmer. Moreover, all of this must be structured in such a way as to wean them from any dependence on regular injections of capital, and to encourage a realistic level of participation by beneficiaries whose contributions will ensure the sustainability of these activities.

- 2.19 This project emerged from the need for a system of specialized services, such as management counseling and direct technical assistance, which will effectively address the needs of small agricultural producers without access to the types of service that are essential for making the agriculture sector productive, efficient, and competitive. The entity requesting the financing is the JAD. This private, nonprofit agency, which was established to promote the development of the agricultural sector in the Dominican Republic through a private system of technical and marketing assistance, is widely accepted by the country's farmers.

III. THE PROJECT

A. Objectives

- 3.1 The overall objective of the program is to improve the efficiency and competitiveness of agricultural producers in the Dominican Republic by means of a system of specialized services in a move to make their operations more profitable and raise the standard of living.
- 3.2 The project will pursue the following specific objectives:
- a. to transform the individual farmer or cooperative member into an entrepreneur by increasing his productivity and ability to market his products;
 - b. to promote wider and more effective use of technical and marketing information services by small producers selected as the target population, through a system for collecting and disseminating specialized data on agriculture and marketing from domestic and international sources, and to use this information to create a readily accessible database;
 - c. to encourage small producers to form groups and create links between individual farmers and such groups, opening additional distribution outlets as alternatives to the traditional ones; and
 - d. to strengthen and expand the institutional capacity of the JAD for offering the support services demanded by small producers in the target population.

B. Components

- 3.3 In order to achieve these objectives, the program will consist of the following components to be carried out over a three-year period:

1. Technical and marketing information

- 3.4 This component of the program will involve gathering and disseminating the technical and marketing information required by small farmers in the project areas. In order to supplement the market information already being generated by the JAD, connections will be made with the most important international databases for the purpose of selecting the type of information that may be relevant to local producers. Marketing information such as prices on local and external markets, demand for products, potential buyers, and the status of competitive suppliers, will be received in the regions by modem and passed on to producers in radio broadcasts and by means of information sheets.
- 3.5 This component will focus on aspects of user-database interface, establishing mechanisms that will guarantee: (i) efficient transfer (decoding) of the information available and/or to be generated under this component, and (ii) optimal management or use of this information on the part of small producers.
- 3.6 One of the project's most important contributions will be to serve as a source of technical and marketing information to which the small producers have had only limited access. To improve the efficiency of the activities that make up this component, links between the executing agency and farm and community development associations in each area will be strengthened with a view to improving the coverage. With specific reference to women, special mechanisms will be established for transmitting information to organizations such as Mujeres de Desarrollo (MUDE) and the Centro de Investigación para la Acción Femenina (CIPAF), in an effort to overcome the constraints caused traditionally by domestic obligations.

2. Studies and plans of action

- 3.7 The agricultural experts taking part in the program will conduct studies to identify areas at the level of the individual enterprise or farm in which certain small producers can introduce technological innovations to raise productivity and competitiveness. These studies will involve the use of the information services, technical assistance, and training available under the program, as well as the financial feasibility studies to help producers gain access to the financial system (a condition of the agreement). These studies will conclude either with a specific plan of action for meeting the needs of the situation studied, or with an explanation of why changes are not possible, and what the consequences will be.

3. Direct technical assistance

- 3.8 The competitiveness of small producers will also be improved through technical assistance services by experts in areas such as investment planning, financial management, laboratory analysis,

soil preparation and cultivation methods, quality control and domestic and international market requirements, packaging and marketing of agricultural products. In addition, farmers will be provided with contacts ensuring access to new distribution outlets, suppliers of agricultural inputs, and other services required by small producers such as transport and storage facilities, promotion, potential partners, and so forth.

- 3.9 Such technical assistance will be provided on the farms to involve the producer as much as possible in the process so that the recommendations made will be applied as agreed between the two parties, and follow-up can be done on recommended actions. The JAD will make recommendations taking into account criteria relating to the sustainability of natural resources, and will monitor compliance in order to prevent the adverse effects from improper use of more advanced production methods on the environment (a condition of the Agreement). This component will be greatly helped by the availability of a minimum number of tractors and pickup trucks. The tractors will be used in hands-on demonstrations of soil preparation for cultivation. The pick ups will transport the technical experts and extension workers to the farms of small producers throughout the program area.

4. Technical assistance and management training for groups

- 3.10 Under this component, the project will emphasize increasing linkages between groups of small producers (target beneficiaries) and agricultural wholesalers and processors who purchase products directly or serve as distribution outlets. To this end, activities will be carried out to help these two groups identify their mutual interests, and to provide small producers with the necessary information, assistance, and training to sell their products at competitive prices. The training will be entirely practical in nature, with active participation by the project beneficiaries who will seek to identify areas where improvements can be made, and the available alternative.
- 3.11 The component will be divided into two types of activity: management training and technical assistance. The management training activities will improve the administrative and management skills of project beneficiaries, while the technical training portion will be aimed at specific groups of producers who specialize in either food crops or livestock production, according to the priorities identified. The staff of the JAD will be responsible for coordinating the training courses.
- 3.12 Promotion and publicity. Small farmers in the Dominican Republic are not used to receiving technical services from the private sector, much less having to pay for them. To ensure that the final beneficiaries of the program know about, accept, and appreciate the services available under this program, they must be educated to the

usefulness of such services. This will be accomplished by promoting and publicizing the services to be offered under the various components. In other words, promotional activities and a publicity campaign will be used to stimulate demand and to show that the program services offer good value. The various media to be used for this purpose include radio commercials, videos presentations, brochures, and information sheets. The messages conveyed by these media will contain instructions on how to obtain the services advertised, with examples of actual cases to demonstrate their relevance and success.

- 3.13 Information sheets will also be prepared to ensure that all program beneficiaries share a common information base, and posters and printed notices will be made up for specific topics such as announcements on potential exports market for cassava and sweet potatoes. In addition, radio reports will be broadcast to announce important progress in achieving the project's objectives.

C. Execution of the program

1. Target population

- 3.14 The target population for the program will be small producers in two zones comprising four of the country's provinces: Espaillat-Salcedo and Peravia-Azua. A recently prepared poverty map of the Dominican Republic shows that the population of these two zones is very poor. Annex 1 provides details on the selected areas.
- 3.15 The Espaillat-Salcedo zone includes an area of 112,438 hectares which is divided into 26,368 farms, giving an average of 4.3 hectares per holding. The total population in the zone according to the 1993 census is around 298,260, of which 220,335 (approximately 74 percent) were classified as rural inhabitants. The number of potential beneficiaries in this zone has been estimated at 19,615 small farmers.
- 3.16 The same 1993 census shows the Peravia-Azua zone with 393,415 inhabitants, of which 211,794 (approximately 54 percent) are classified as living in rural areas. This zone has a total area of 195,553 hectares in all, which are distributed among 29,634 farms, with an average size of 6.6 hectares. There are 24,961 potential beneficiaries in this zone. According to the statistics gathered for the Sixth Agricultural Census, most of the producers in this zone, especially in the province of Peravia, own small farms they operate themselves.
- 3.17 Since the present program will be the first of its kind to target the small producers described above, these two zones were selected as having the best potential for ensuring that program objectives are met. The results will be evaluated after completion of this program and the experience gained will be applied to similar

projects in other zones that have comparable characteristics. Quality control of the services provided under the program and their impact will be evaluated by independent experts.

3.18 The criteria for selecting among the small producers in these zones will be as follows:

- a. They must own a farm with between 0.5 hectares and 12.5 hectares of arable land, and a total acreage of up to 50 hectares (these are considered small producers in the Dominican Republic).
- b. They must not be subject to controls under the agrarian reform that prevent them from participating.
- c. They must have a level of schooling that will enable them to assimilate the technical assistance designed for the program.
- d. They must: (i) demonstrate receptiveness; (ii) be open to innovation; (iii) have the potential to adopt new technology; and (iv) have the capacity for improving the commercial competitiveness of products they grow now or in future.

3.19 In order to ensure that women are brought into the program, representatives of the different public institutions, NGOs, and grassroots associations active in the provinces of Espaillat, Salcedo, Azua, and Peravia will meet to define a strategy for helping rural women in each province. The Association for the Development of the Province of Espaillat, the Association of Agricultural Producers, and the Provincial Technical Office of the province of Salcedo will be actively involved with this task.

3.20 In designing this strategy, priority will be given to women heads of household in rural areas. Their involvement in the program will be one of the main features of the training component, and will be conditional on an evaluation of the current situation and experiences in the two provinces. In the case of Azua and Peravia, activities will be coordinated with certain NGOs that are active in the area, as well as organizations such as the Federación de Mujeres del Sur (FERMUCA) and the Comité Nacional de Mujeres Campesinas (CONAMUCA), both of which have wide experience working in this area, especially in the southern regions of the country.

2. Demand for services

3.21 In addition to those efforts to strengthen demand for program services, demand can also be stimulated by targeting those producers in these zones who regularly receive technical support of the kind proposed under the program. The results show that access to these services is sadly lacking: only 15 percent of producers receive technical assistance, 30 percent have had help with soil

preparation, and no pest control using traps and parasites are offered.

- 3.22 Further confirmation of the inability of services in this area to meet the needs of the small producer is the lack of regular market information services. Even without advertising this service, the JAD receives around 1,200 requests each year for such information from nonmember farmers who are forced to travel to the capital since no comparable service is available in their local areas. The JAD also receives requests from potential beneficiaries of this program for diagnostic studies and plans of action for individual producers. These services are currently being provided only for farmers who are members of the JAD. Small producers must organize their own projects without the benefit of management expertise since there is no institutional capacity in place to assist them in this area. Finally, with regard to pest control services using traps and biological controls for the integrated pest management program, the JAD cannot keep up with demand from its members despite charging market rates for the traps and parasites they need.
- 3.23 To meet demand for its services, the JAD will hire local personnel from the project area to work on the program, as well as a manager and other specialized personnel. ^{1/} In addition, the JAD has an experienced staff which includes experts in agronomy, pest management, plant and animal diseases, livestock production, microbiology, legislation, economics, marketing, and management. These experts will be available to assist with the program.

3. Meeting the demand for products

- 3.24 When it was first created, the JAD established an information service on the production, markets, and prices of the principal agricultural products grown in the Dominican Republic, and it was this that provided the basis for the Agribusiness Information Center (CIAGRO). This center currently generates, receives, and distributes computerized data on national agricultural performance in order to provide producers with essential data on prices, markets, classifications, and specific topics of interest to farmers.
- 3.25 The reports published by the JAD (36 during 1994), based on data from CIAGRO concerning demand for agricultural products on wholesale markets in Santo Domingo, New York, and Miami, are intended as a guide for producers and exporters, as well as a source of raw data for analysis of price and market trends. They also identify those commodities offering the most potential for producers in the Dominican Republic. It is on this information, and information from the European markets that small producers must

^{1/} This is a condition precedent to the first disbursement. Annex VI contains the terms of reference for the experts who will be hired.

rely to determine which products offer the best returns. At the start of the program, based on the studies carried out by the JAD and surveys of both consumers and producers, the emphasis will be on products: (a) in which the country has demonstrated export potential; (b) which are required by hotels and supermarkets; (c) which offer good potential for increased production; (d) which have potentially lower unit cost; (e) which can be improved through quality selection, packaging, and presentation; and (f) for which the Dominican Republic enjoys a comparative advantage and can therefore be more competitive.

4. Cost and financing

- 3.26 The estimated budget for the program totals US\$2,560,000, including the contribution from the MIF and the local counterpart funding, as indicated in the following table (for a breakdown of these figures see the table in Annex II):

SOURCE	AMOUNT IN US\$
MIF	1,920,000
Counterpart funding	640,000
Total	2,560,000

- 3.27 The counterpart funding of US\$640,000 to be provided by the JAD will be in cash and will be backed by the available assets of the institution which, at the end of 1994, totaled over US\$2.5 million, including an equity of US\$1.3 million deposited with local banks on which sufficient interest accrued to cover the current expenses of the institution, including expenses corresponding to counterpart funding in the future. Since the program will be carried out over three years and with MIF disbursements will be made over four years, the counterpart funding will be disbursed *pari passu* the MIF disbursements.

5. Financial aspects of the program

- 3.28 From a financial standpoint, as the program proceeds, the costs should be covered increasingly by the revenue from fees charged for its services, to the point that the program is expected to be self-sustaining by the time it is completed. As it stands, the fee to be charged each participant for services provided under the program will be calculated as a gradually increasing percentage of cost, in accordance with the following tentative schedule, to be formally implemented by the JAD prior to the first disbursement (condition precedent).

YEAR	FEE (% OF COST)	SUBSIDY (%)
1	25	75
2	50	50
3	75	25
4	100	0

- 3.29 Through this program the institution will first expand the services it offers, making them accessible to small producers, and second, increase its membership by incorporating these producers at membership fees tailored to their income levels. This will enable it to finance from the outset a portion of the fixed costs of the program, and to use the earnings from the gradually rising fees charged for its services to offset variable costs, eventually ensuring the sustainability of the program. Annex III of this document presents a table of revenue and expenses generated by the program, as well as the financial results. A review of the annual financial statements, which the executing agency must submit to the Bank in accordance with the formal agreement with the JAD, will make it possible to track the program and to take any steps, as provided in the agreement, that may be necessary to correct any problems.

IV. EXECUTING AGENCY AND INSTITUTIONAL FRAMEWORK

- 4.1 As indicated earlier, the executing agency for the program will be the Junta Agroempresarial Dominicana, Inc. (JAD). This institution is described below.
- 4.2 In the last few decades, the private farms in the Dominican Republic have undergone a process of diversification and transformation which has enabled it to grow new variety of fruits and vegetables in addition to traditional crops such as sugarcane, cocoa, coffee and tobacco. The agricultural produces for the local market and fresh or processed products for export. It was thus the emergence of a dynamic agroentrepreneurial sector, and its demand for services that the State could not supply that led to the creation of the JAD on December 12, 1984, and its subsequent incorporation under Executive Decree No. 3233 of August 13, 1985.
- 4.3 The JAD, which was established as a private, nonprofit agency with a high degree of technical expertise, has as its overall objective to promote the development of the agricultural sector and provide specialized technical assistance; to support the transformation and diversification process; and to facilitate the linkage between production and the markets. Its members include agricultural trade

associations, agribusinesses and individual medium and large-scale farmers.

4.4 The other objectives of the JAD are mainly designed:

1. to contribute, along with national and international public and private institutions, to the strengthening and expansion of commercial agriculture in the Dominican Republic, thereby helping to increase the level of employment, produce a more equitable distribution of investment and income, and improve savings and generate foreign exchange; and
2. to provide professional assistance for agroentrepreneurs in the areas of production, administration, finance, marketing, legal affairs, and any other activity of interest to its members.

4.5 The services of the JAD are intended to promote projects in agriculture, livestock raising, and forestry, contributing to the transfer of technology and the development of commercial farming, and thereby helping to increase the well-being of the population. The programs and services that it offers to producers are as follows: production improvement program, agricultural laboratory services, integrated pest management, phytosanitary preinspection, marketing support and investment, policy reform, economics of farming, and communications and public relations.

4.6 The JAD receives funding for its operations from three principal sources: (1) membership fees and services, (2) equity fund, and (3) projects. The institution's revenue comes from membership fees and service charges to members, which currently are the primary source of funding, now accounting for 55 percent of its income, up from less than 1 percent in 1985 when the JAD was established and had to rely essentially on donations.

V. FEASIBILITY AND RISKS

5.1 This is the first time that a project of this sort has been attempted in the Dominican Republic. Since the project will be offering new types of services to small farmers at progressively rising rates, there is a potential risk that it may be difficult to create sufficient demand for the services under these conditions. However, the program includes a major promotion and publicity component that should reduce this risk. In addition, the benefits to farmers will largely outweigh the costs of the services, making it that much easier to convince the beneficiaries of the value of the program.

5.2 The risks and the measures taken to mitigate these risks are summarized below: -

<u>RISKS</u>	<u>MITIGATING MEASURES</u>
1. Difficulty creating sufficient demand for the services	1. Promotion and publicity component
2. Poor performance vis-à-vis the proposed objectives	2. Follow-up actions and annual controls included in plans
3. Clever producers abusing subsidized services	3. Rules will limit the use of subsidized services and periodic evaluations will be made
4. Damage to the environment	4. Special services will be provided on environmental controls such as analysis of residues in soil, water, and products; and methods of pest management with less use of pesticides
5. Program is not financially sustainable	5. Charges for services gradually increase to reach 100%, plus an additional membership fee
6. Difficulties encountered by producers in obtaining the necessary financing	6. Appropriate recommendations will be made in accordance with investment capacity; linkages with appropriate loan programs

VI. COMPATIBILITY WITH THE BANK'S PROGRAM FOR THE COUNTRY

- 6.1 The present project is consistent with the Bank's strategy for the Dominican Republic which is based on cooperating with efforts to combat poverty, advance the position of women, and increase efficiency. This strategy has been pursued by means of reforms and investment to boost production, with emphasis on the exports and competitiveness, and through the productive and sustainable natural resource management. In addition, the project will complement other IDB-financed projects already carried out (i.e. development projects in the Azua and Bani regions), and in preparation (i.e. user administered irrigation systems program (DR-0035)). In this sense, the present program is designed to serve the needs of a population

with great potential for improvement, which is demanding access to services of the kind being made available under this program.

VII. AVAILABILITY AND USE OF MIF RESOURCES

- 7.1 The present proposal is expected to be financed by means of a donation. The Dominican Republic was declared eligible for this type of financing by the Donors Committee on September 12, 1994. There are no restrictions on the allocation of MIF resources to the Dominican Republic.
- 7.2 Only individuals and companies from donor countries of the MIF, or from the Bank's borrowing member countries will be eligible to take part in tenders financed with MIF resources.

VIII. EVALUATION

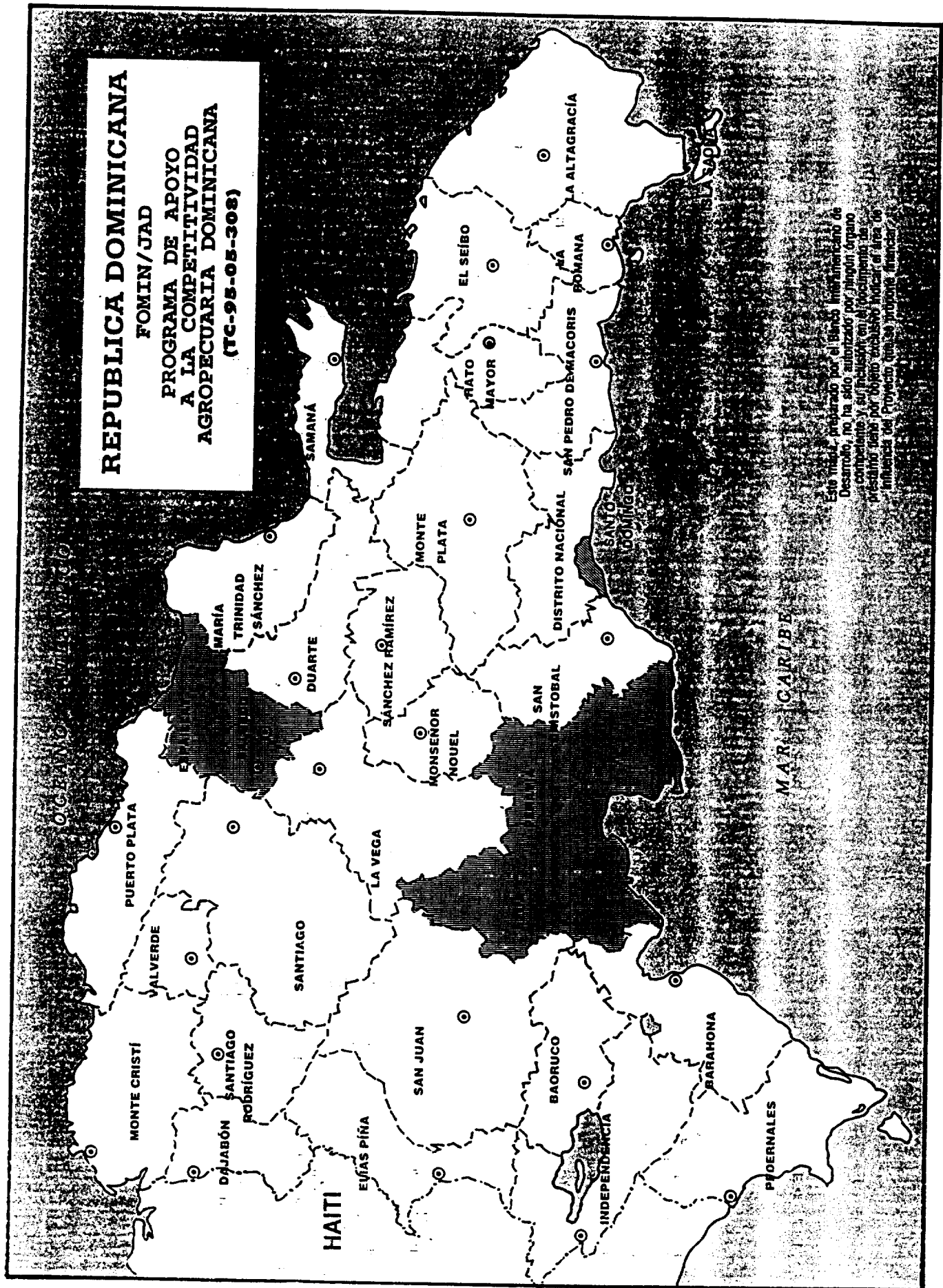
- 8.1 Independent consultants will prepare an annual progress report based on an evaluation performed in the month following the close of each year of the program. This report will be submitted to the Bank within 30 days of the date the evaluation is completed. In the logical framework appearing in Annex IV, the column heading "Indicators" lists the goals for each component and each activity thereunder, for each year of execution separately and for all three years of the project combined. The "Means of verification" will be done by records kept by the JAD at its headquarters and at its field offices, plus the declarations initialled by producers participating in the program. JAD's records will be reviewed annually by officials of the Bank and the MIF (contractual condition). Annex V, "Guidelines for program execution", presents the regulations that will be implemented with the approval of the JAD's board of directors prior to the first disbursement from the MIF (condition precedent).
- 8.2 The Bank will review the annual evaluation report within 30 days of the date it is received. If sufficient grounds exist, the targets will be reformulated if they are not met; otherwise, disbursements may be suspended.

REPUBLICA DOMINICANA

FOMIN/JAD

**PROGRAMA DE APOYO
A LA COMPETITIVIDAD
AGROPECUARIA DOMINICANA
(TC-95-05-308)**

(TC-95-05-308)



DOMINICAN REPUBLIC
Junta Agroempresarial Dominicana Inc. (JAD)

Multilateral Investment Fund (MIF)

Program to raise agricultural competitiveness in the Dominican Republic.

Costs by Category, Component, and Total Cost (US\$ 000s)

CATEGORY	C O M P O N E N T S															COS			
	Tech. Reports & Mktg. Diag. & Plans of Action						Direct Technical Assist.			Assist. to Groups			Promo. & Publicity				MIF	JAD	TOTAL
	MIF	JAD	TOTAL	MIF	JAD	TOTAL	MIF	JAD	TOTAL	MIF	JAD	TOTAL	MIF	JAD	TOTAL				
MENT	112	17	129	64	10	74	474	71	545	131	20	151	63	9	72	845	1		
	32	47	79	12	17	29	99	146	245	19	29	48	12	18	30	175	2		
ES	4	0	4	4	0	4	29	0	29	9	0	9	4	0	4	50			
ATIONS	62	0	62	10	0	10	16	0	16	11	0	11	142	0	142	100	1		
ATIONS	6	0	6	6	0	6	6	0	6	6	0	6	6	0	6	30			
TECHNICAL ASSIS	5	0	5	15	0	15	242	0	242	8	0	8	0	0	0	270			
ASSIST. TO GROUP	3	5	8	3	5	8	31	62	93	19	39	58	3	5	8	58	11		
ATED COSTS	46	0	46	51	0	51	136	0	136	51	0	51	48	0	48	332			
IGENCIES	12	0	12	12	0	12	12	0	12	12	0	12	12	0	12	60			
TOTAL	282	69	351	177	32	209	1046	278	1324	267	57	324	269	23	322	1920	6		

**PROGRAM TO RAISE AGRICULTURAL COMPETITIVENESS IN THE DOMINICAN REPUBLIC
BUDGET**

(US\$ 000s)

Annex II-A

CATEGORY	INVESTMENTS			TOTAL		TOTAL INVESTMENT	%
	YEAR 1	YEAR 2	YEAR 3	MFPR	JAD		
2.2 STAFF	208	320	182	143	178	871	38%
Coordinator (1)	33	36	41	110	0	110	
Specialists (3)	65	66	67	198	0	198	
Zonal experts (8)	76	81	89	246	0	246	
Computer expert (1)	16	18	20	54	0	54	
Secretaries (3)	23	25	27	75	0	75	
Driver/messenger (1)	5	6	7	0	18	18	
Tractor drivers (4)	36	38	40	114	0	114	
Helpers (4)	22	24	26	0	72	72	
Benefits	13	26	45	48	36	84	
6.3 EQUIPMENT	431	0	0	178	258	431	17%
Light trucks (4)	100	0	0	40	60	100	
Motorcycles (11)	35	0	0	0	35	35	
Tractors (4) 1/	156	0	0	62	94	156	
Information systems	50	0	0	28	22	50	
Office equipment	30	0	0	0	30	30	
Audiovisual equipment	30	0	0	30	0	30	
Laboratory equipment 2/	15	0	0	15	0	15	
Additional equipment 3/	15	0	0	0	15	15	
6.4 SUPPLIES	15	17	18	60	0	60	2%
Office	6	7	7	20	0	20	
Field 4/	9	10	11	30	0	30	
7 PUBLICATIONS	88	81	72	109	141	241	9%
Printed publications	23	12	11	0	46	46	
Technical videos	0	15	15	30	0	30	
Radio spots	33	25	17	40	35	75	
Advertisements in newspapers	6	2	2	0	10	10	
Fax, telephone	16	17	17	0	50	50	
Database subscriptions	10	10	10	30	0	30	
8 EVALUATIONS	18	10	10	38	0	38	1%
97.1 DIRECT TECHNICAL ASSISTANCE	88	84	78	270	0	270	11%
Lab Analysis (1000) 5/	9	9	9	27	0	27	
Validation and demonstration plots	23	23	24	70	0	70	
Forage storage demonstration sites (8)	12	18	0	30	0	30	
Breeding and release of benign parasites	10	5	5	20	0	20	
Placement of biological traps (20,000) 7/	16	11	12	39	0	39	
Local assistance (18)	10	10	10	30	0	30	
International assistance (8 man-months)	18	18	18	54	0	54	
97.2 TECHNICAL ASSISTANCE FOR GROUPS	68	67	60	68	117	178	7%
Events (15) 8/	12	15	18	0	45	45	
Meetings with producers	20	20	20	0	60	60	
Personal training	20	20	20	58	2	60	
Stationery and support	6	2	2	0	10	10	
97.3 ASSOCIATED COSTS	105	111	118	132	0	132	10%
Leases	18	19	20	57	0	57	
Per diems	19	20	21	60	0	60	
Fuel, oil, and parts	28	30	32	90	0	90	
Maintenance and repairs	40	42	43	125	0	125	
98 CONTINGENCIES	18	20	21	60	0	60	2%
TOTALS	1113	710	737	1928	440	2568	100%
Percentages	43%	26%	28%	75%	25%	100%	

1/ For use in technical assistance demonstrations

2/ Microscopes, semen tanks, refrigerators, and minor equipment

3/ Boots, horn removers, test takers, gloves, measuring equipment, magnifying glasses, calculators, etc.

4/ Seeds, reactive minerals, parasite removers, antibiotics, vitamins, medicines, vaccines, etc.

5/ Soil, water, tissue, forage

6/ Parasites in butterflies white flies and other pests

7/ Pheromones, yellow traps, and others

8/ Workshops, visits, producer fairs, field days, and similars events

DOMINICAN REPUBLIC
Program to raise agricultural competitiveness in the Dominican Republic

ESTIMATE OF REVENUE FROM PROGRAM
 Working hypothesis based on recoveries of 25% (year 1), 50% (year 2), 75 % (year 3) and 100% (from year 4 on)

CM	UP (US\$)	TARGET	UP+TARG	REVENUE	TARGET	UP+TARG	REVENUE	TARGET	UP+TARG	REVENUE	TARGET	UP+TARG	REVENUE	TARGET	UP+TARG	REVENUE
		Year 1	US\$	US\$000's	Year 2	US\$	US\$000's	Year 3	US\$	US\$000's	Year 4	US\$	US\$000's	Year 5	US\$	US\$000's
ans	11.66	100	1,166	0.3	120	1,399	0.7	150	1,749	1.3	180	2,099	2.1	200	2,349	2.3
ance in groups	155.40	40	6,216	1.6	60	9,324	4.7	60	9,324	7.0	60	9,324	9.3	60	9,324	9.3
assistance	116.55	240	27,972	7.0	300	34,965	17.5	360	41,958	31.5	440	51,282	51.2	480	55,992	55.9
ts	116.55	1200	139,860	35.0	1600	186,480	93.2	2,200	256,410	192.3	2640	307,692	307.7	2,900	337,992	337.9
n parasites (dos)	24.00	333	7,992	2.0	333	7,992	4.0	334	8,016	6.0	334	8,016	8.0	334	8,016	8.0
	2.33	8000	18,640	4.7	6000	13,980	7.0	6,000	13,980	10.5	7200	16,776	16.8	7,920	18,432	18.4
	2.33	500	1,165	0.3	1000	2,330	1.2	1,000	2,330	1.7	1250	2,913	2.9	1,375	3,225	3.2
	12.43	17600	218,768	54.7	22000	273,460	136.7	26,400	328,152	246.1	31680	393,782	393.8	34,800	432,582	432.5
REVENUE																
SALES				106.4			266.0			499.4			791.8			

ESTIMATED FINANCING OF PROGRAM EXPENSES

		YEAR 1	EXPENSE		YEAR 2	EXPENSE		YEAR 3	EXPENSE		YEAR 4	EXPENSE		YEAR 5	EXPENSE	
		MIF	JAD	US\$000's	MIF	JAD	US\$000's	MIF	JAD	US\$000's	MIF	JAD	US\$000's	MIF	JAD	US\$000's
		251	38	289	278	42	320	315	47	362			408			
		175	256	431	0	0	0	0	0	0			5			
		15	0	15	17	0	17	18	0	18			19			
assistance		98	0	98	94	0	94	78	0	78			45			
In groups		19	39	58	19	38	57	20	40	60			50			
		37	51	88	34	47	81	30	42	72			52			
		134	0	134	141		141	147	0	147			160			
EXPENSES				1,119			710			737			798			
ED: MIF	JAD	729	384		822	127		808	129							

REVENUES (US\$ 000's)

(EXPENSES)	(1,006)	(448)	(241)	63
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DOMINICAN REPUBLIC

JUNTA AGROEMPRESARIAL DOMINICANA (JAD)
MULTILATERAL INVESTMENT FUND (MIF)

PROGRAM TO RAISE AGRICULTURAL COMPETITIVENESS
IN THE DOMINICAN REPUBLIC
LOGICAL FRAMEWORK OF THE PROGRAM

	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
OBJECTIVE			
Develop a system of specialized services for small agricultural producers to increase their efficiency and competitiveness	Increases in productivity, production, marketing, and incomes	Statistics, farm records, and annual statements of account	Macroeconomic and sector policies that stimulate producers
PURPOSE			
With the assistance of the JAD, transform small agricultural producers into entrepreneurs by raising their productivity and marketing capabilities	Number of small producers transformed into entrepreneurs under the program (900), as well as financial indicators of sustainability of the JAD	Statistics with identification of producers and their production units	The producers obtain expected benefits as set out in action plans and projected results
COMPONENTS			
1. Technical and marketing data	Distribute market reports: 100, 120, 150 (370)	The verification may be based on records kept by the JAD at its headquarters and field offices, as well as on declarations initialled by producers	The promotional campaign using information sheets and radio spots creates sufficient demand and attracts enough producers to the services offered by the JAD
2. Studies and plans of action	Prepare studies and plans: 40, 60, 60 (160)		
3. Direct technical assistance	Give technical assistance to small producers: 1,200; 1,600; 2,200 (5,000)		
4. Technical and management training	Train producers and farm workers: 240, 300, 360 (900)		
1.1 Install data network (units)	3; -; -; (3)	The records kept by the JAD will be reviewed annually to assess the degree to which the goals set are being achieved	Demand among small producers is as expected. Disbursements and counterpart funding from the JAD are available in a timely and sufficient manner. Goods & services needed for execution are also available in the required quantity and quality as needed
1.2 Prepare market reports	105; 125; 155; (385)		
1.3 Advertise through radio spots	2,000; 1,500; 1,000; (4,500)		
1.4 Prepare and distribute information sheets	20,000; 10,000; 10,000; (40,000)		
2.1 Prepare studies and action plans	40; 60; 60 (160)		

ANNEX IV

Page 2 of 2

	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
3.1 Make visits to farms	1,400; 1,800; 1,800 (5,000)		
3.2 Carry out lab. analyses	333; 333; 334; (1,000)		
3.3 Establish demon. fields	15; 15; 15; (45)		
3.4 Establish verification plots	10; 10; 10; (30)		
3.5 Install demonstration silos	3; 5; -; (8)		
3.6 Establish biological traps	8,000; 6,000; 6,000 (20,000)		
3.7 Breed and release parasites			
4.1 Conduct training events	8; 10; 12; (30)		
4.2 Meetings with producers	96; 120; 120; (336)		
4.3 Soil preparation	17,600; 22,000; 20,000; (66,000)		

The first three figures are the indicators corresponding to years 1, 2, and 3; the number in parentheses is the total for that activity.

**PROGRAM TO RAISE AGRICULTURAL PRODUCTIVITY
AND COMPETITIVENESS IN THE DOMINICAN REPUBLIC**

GUIDELINES FOR EXECUTION

A. Criteria for selection of beneficiaries

1. They own a farm with between 0.5 hectares and 12.5 hectares, and total acreage of up to 50 hectares.
2. They must not be subject to controls under the agrarian reform.
3. They must have a level of primary schooling that will enable them to assimilate the technical assistance designed for the program.
4. They must: (i) demonstrate receptiveness; (ii) be open to innovation; (iii) have the potential for adopting new technology; and (iv) have the capacity for improving the commercial competitiveness of the products they grow.
5. They must not have made use of program services valued at over US\$3,000 during the year, nor may the value of the requested service cause them to exceed this amount.
6. Their farm must be located in the project zone.

B. Processing of requests for services

1. The farmer indicates his interest in receiving one of the services being offered under the program, either to technical experts or in a visit to the JAD offices.
2. Form requesting the service (see C below) is filled out by the farmer and program personnel.
3. An agreement is reached to provide the service and the way in which it will be provided is explained, or else the reasons why it cannot be provided are given.
4. The farmer signs a service order.
5. A file on the beneficiary is opened, or his existing file is updated.
6. Payment of 50% of the service fees.

7. The service is provided and a report is filed.

8. The remaining 50% of the service fee is paid.

C. Information required in the service request form

a. Data on applicant:

- Date
- Name, age, sex of applicant
- Address
- Location, acreage, irrigation status, and current use of the parcel
- Yields obtained in the past
- Source of any current technical assistance
- Distribution outlets used
- Sources of financing
- Membership in the JAD
- Service desired
- How applicant learned about the services/program
- Services received in past

b. Administrative data:

- Membership status in the JAD
- Verification of level of services received
- Cost of the service
- Subsidy and amount paid by farmer

D. Records

1. A separate file will be opened for each farmer.
2. This file will contain all relevant information on each client farmer, including requests for service and service reports, evaluations, and comments.
3. These records will be used to improve the services and evaluations, control performance, and prevent abuse of subsidized services by any users, and for similar purposes.

E. Service fees

1. Fees will be charged for the services offered under the program.
2. These fees will be listed in a schedule to be made available to the beneficiaries.
3. During its first three years, the program will subsidize a portion of the cost for its services using an averaging structure

for all services, whereby 75% of the price is subsidized in year one, 50% in year two, and 25% in year three.

4. Applicants will be required to pay 50% of the service fee at registration, and the remaining 50% after receiving the service. Other, more flexible arrangements may be made under exceptional circumstances and must be authorized by the program coordinator or regional director, as the case may be.
5. Each regional office will monitor the account of each beneficiary to ensure prompt payment of fees, and in order that they may exercise due prudence in the event a second application for service is received from the same individual.

F. Organizational structure

1. The program will be administered through a central office and two regional offices.
2. The central office will be located in the headquarters of the JAD, and the regional offices will be strategically placed within the two project zones.
3. The program will have one coordinator who shall report to the Executive Vice President of the JAD and, hence, to the board of directors.
4. The coordinator will be directly in charge of the program and will supervise the work of three full-time specialists and eight regional technical experts, and support staff.
5. The coordinator and the three specialists, together with an expert in information systems, a secretary and a driver/messenger, will be based at headquarters.
6. Each regional office will have four technical experts, an executive secretary, two tractor operators and two assistant operators.
7. One of the four technical experts at each regional office will serve as the regional director, assuming supervisory duties in addition to providing technical assistance.

G. System of communications

1. Each regional office will be directly linked to the central office by telephone, fax, and computer network.
2. The computer network will operate with a master computer connected to local and international data sources and located at the central office.

3. Where appropriate, data received at the central office will be processed and input in the network.
4. The network will consist of two additional computers, one in each regional office.
5. Being online, the computers in the regional offices will have continuous access to the master computer and be able to extract available data required by local farmers.

H. Petty cash and disbursements

1. Each regional office will maintain a store of petty cash, initially set at US\$1,000, or its equivalent.
2. Petty cash will be replaced upon presentation of proof of expenses to the central office.
3. All requests for reimbursement from petty cash must be approved by the regional director.
4. Reimbursement must be made within five days of presentation of the request.
5. Requests for reimbursement of amounts in excess of 75% of the total in petty cash will be permitted.

I. Purchase procedures

1. All purchases made under the project must comply with the policies of the MIF.
2. Procurement rules shall go into effect as soon as purchases are initiated.
3. In matters not covered by the MIF specifications, the existing JAD procurement procedures shall apply.

J. Incorporating women into the program

1. Women shall be given an equal opportunity to occupy the various positions created under the project.
2. The participation of women in the program will be guaranteed through the requirement that at least 10% of the services under the program go to female beneficiaries.
3. In designing the program services, and especially those that involve training events, the need for adjustments to accommodate the special needs of women will be emphasized.

K. Monitoring and assessment of environmental impact

1. In designing the contents and methods to be used in providing the services, and in evaluating their impact, the possible environmental impact they may have will be discussed.
2. When the impact of a recommendation is deemed environmentally adverse, alternative recommendations will be made or measures will be taken to eliminate or minimize the adverse effects.
3. Before any request for service can be acted upon, its environmental aspects must be considered.
4. At least once every four months and according to the requirements for laboratory analyses under the project, random samples will be taken of the water, soils, air, and plants or animal tissues in the project areas in order to determine the status of toxic residues.
5. Wherever there are signs of growing pollution, the incidence of the relevant program activities will be determined along with other possible sources of environmental degradation or pollution.
6. If any relationship is found to exist between the activities being carried out under the program and the increase in environmental degradation or pollution, corrective measures will be taken immediately to avoid undermining the objectives of the program.

L. Hiring of consultants

1. Where necessary consultants will be hired for the project.
2. The consultants hired for the project may be either local or international experts, but preferably local experts for reasons of cost, whenever the necessary professional expertise is available in the Dominican Republic.
3. The hiring of such consultants will be subject to such requirements as may be set by the MIF.
4. In all cases where consultants are to be hired, terms of reference must be prepared in advance and at least two candidates must be considered.

M. Evaluations

1. The program will include two types of evaluation: (i) internal evaluations, and (ii) external evaluations.

2. Internal evaluations will be carried out by program personnel to determine the extent to which the goals set have been attained and the level of satisfaction expressed by small farmers with regard to the services received.
3. Internal evaluations will include random visits by the coordinator and regional directors to the farms of individuals who have received services under the program, and analyses conducted at the biweekly meetings of program technical experts, the monthly meetings of the board of directors, and other meetings with the beneficiaries in annual workshops.
4. The purpose of internal evaluations will be to confirm the progress made under the program or to ensure that corrective measures are taken whenever any serious departure from its goals is detected.
5. Included among the various meetings are annual evaluation workshops with the producers.
6. The external evaluations will be coordinated by the MIF for the same purpose, but will be conducted by a third party.
7. Both internal and external evaluations will make use of the information kept in the program records.

N. Audits

1. External audits will be carried out annually during the program.
2. Unless otherwise required by the sources of financing, the program audits will be considered part of the annual audit exercise carried out by the JAD.
3. Audits will be conducted by an auditing firm that has been approved by the MIF.
4. Audits must include an opinion as to the proper management of financial resources.

O. Promotion and publicity

1. Demand for the program's services will be stimulated by means of a promotional campaign and publicity aimed, insofar as possible, at the regions where the project will be carried out.
2. The promotional campaign and publicity will rely primarily on radio announcements and, to a lesser extent, on newspaper advertisements and television spots.

3. Other promotional media will include posters, bulletins and, possibly, a video presentations.
4. The meetings and training events attended by farmers will also provide an opportunity for promoting program services and explaining their advantages.
5. To ensure coordination and consistency, all of the mechanisms and announcements to be used in the promotional campaign will be designed and approved for release by the central office.
6. The instruments and media to be used for promoting the program will be prepared with the help of the Public Relations Department of the Junta Agroempresarial Dominicana, Inc.

PROPOSED RESOLUTION

REPUBLICA DOMINICANA. NONREIMBURSABLE TECHNICAL COOPERATION FOR
DOMINICAN AGRICULTURAL COMPETITIVENESS SUPPORT PROGRAM

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Junta Agroempresarial Dominicana, Inc., of the República Dominicana, and to take such additional measures as may be pertinent for the execution of the Project Memorandum referred to in Document MIF/AT- with respect to a technical cooperation program in support of agricultural competitiveness.
2. That up to the amount of US\$1.920,000, or its equivalent in other currencies, is authorized for the purpose of this resolution, chargeable to the resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.